

...and Di in Berlin  
...Up British Press  
...the British popular press  
...the marriage of Prince Charles  
...the headlines such as "Happy  
...Here Again" and "Happy  
...Bea, apparently became  
...couple did such a  
...as talk and smile. They  
...in Bonn Monday from  
...where they had been  
...ackling West German visit  
...ring been seen together in  
...sly three times in the last  
...a Sunday. Charles called his  
...British Army's "most  
...colonel" — her honorary  
...of rank with the Royal  
...ment, which has units in  
...edin. In Bonn they had  
...th West German President  
...nd von Weizsäcker and his  
......

...Former President Richard  
...delays caused by a  
...vocal minority" for his  
...ment of plans to build the  
...Library in San Clemente,  
...the site of the White  
...House during his admini-  
...tion. In a letter to the editor  
...San Clemente Daily Sun-Poin  
...on praised an Oct. 19 editorial  
...his publisher, Stanford  
...lamenting Nixon's recent  
...to build the \$25-million  
...ial library in Yorba Linda,  
...Southern California com-  
...where Nixon was born.

...Andrei Ustinov, the Soviet  
...dancer who defected in Dallas  
...month, is getting a crash  
...American problems in sup-  
...the arts. The Dallas Ballet  
...nable to pay its staff last  
...the third time this year and  
...son may come to a premature  
...The company must raise \$100  
...by Thursday to sustain it  
...mid-November, when  
...from a program featuring  
...are expected to bolster its  
...ous funding situation, ac-  
...Karl Zerkovsky, chairman  
...company's board. Ustinov  
...granted political asylum  
...after slipping away from  
...ow Ballet during a stop  
...on the group's first U.S.  
...tinov is scheduled to de-  
...Dallas Ballet Nov. 10 in a  
...of shorter dances.

PORTUGAL

7 DAYS INCLUSIVE  
FROM PARIS TO

US\$ 1,200  
US\$ 1,300  
US\$ 1,400  
US\$ 1,500  
US\$ 1,600  
US\$ 1,700  
US\$ 1,800  
US\$ 1,900  
US\$ 2,000

TRAVEL AGENTS

US\$ 1,200  
US\$ 1,300  
US\$ 1,400  
US\$ 1,500  
US\$ 1,600  
US\$ 1,700  
US\$ 1,800  
US\$ 1,900  
US\$ 2,000

CLASSIFIED AD QUICKLY and

US\$ 1,200  
US\$ 1,300  
US\$ 1,400  
US\$ 1,500  
US\$ 1,600  
US\$ 1,700  
US\$ 1,800  
US\$ 1,900  
US\$ 2,000

CLASSIFIED AD QUICKLY and

US\$ 1,200  
US\$ 1,300  
US\$ 1,400  
US\$ 1,500  
US\$ 1,600  
US\$ 1,700  
US\$ 1,800  
US\$ 1,900  
US\$ 2,000

CLASSIFIED AD QUICKLY and

US\$ 1,200  
US\$ 1,300  
US\$ 1,400  
US\$ 1,500  
US\$ 1,600  
US\$ 1,700  
US\$ 1,800  
US\$ 1,900  
US\$ 2,000

CLASSIFIED AD QUICKLY and

US\$ 1,200  
US\$ 1,300  
US\$ 1,400  
US\$ 1,500  
US\$ 1,600  
US\$ 1,700  
US\$ 1,800  
US\$ 1,900  
US\$ 2,000

# Gorbachev: A Conservative Note

## Softening of Positions Attributed to Domestic Tensions

By Gary Lee  
Washington Post Service

MOSCOW — Mikhail S. Gorbachev, reflecting new caution toward opponents within the Communist Party who have slowed his quest for urgent changes, projected a striking tone of conservatism into his familiar appeal for political and economic change in the Soviet Union.

In a speech Monday marking the 70th anniversary of the Soviet Union that was billed as a major policy address he spent weeks writing this summer, the Soviet leader weakened the impact of nearly each new position he took with a nod toward conservative sensitivities.

The speech, which came amid signals of hardened opposition to Mr. Gorbachev's reforms within the Communist Party leadership, buttressed a widely held view among Western diplomats and some Soviets that the Soviet leader is caught in a quagmire of domestic political tensions.

Mr. Gorbachev even rebuked his protégé, Boris Yeltsin, the Moscow party chief and outspoken advocate of glasnost, or openness, who is under fire from party conservatives for criticizing the slow progress of the reforms.

By the time Mr. Gorbachev finished the three-hour

speech, some Western and Soviet observers were struck by the softened image of himself that Mr. Gorbachev presented. "There was nothing bold there," one Western diplomat said.

For example, Mr. Gorbachev couched an attack against Stalin for committing "real crimes" with an endorsement of Stalin's brutal, widespread collectivization of agriculture. After calling for closer coopera-

### NEWS ANALYSIS

tion between Socialist countries and the capitalist West — unusual for a Communist leader — Mr. Gorbachev issued the standard prediction of the slow demise of capitalism.

Mr. Gorbachev, who just months ago complained that his calls for perestroika, or restructuring, were not being enforced quickly enough, also used the speech to criticize Soviet too eager about the changes and to appeal to them for "revolutionary self-restraint." He warned against succumbing to the pressure of overzealous supporters of reform and "those who voice their disappointment with what they regard as a slow rate of change."

Western and Soviet analysts regarded the speech as

See SOVIET, Page 2

# Weinberger Expected to Quit

## His Wife's Illness Is Cited as Cause



By David Hoffman and Molly Moore  
Washington Post Service

WASHINGTON — Defense Secretary Caspar W. Weinberger has decided to resign because of the deteriorating health of his wife, Jane, according to Reagan administration sources.

President Ronald Reagan is expected to name the national security adviser, Frank C. Carlucci, as defense secretary, officials said late Monday.

Mrs. Weinberger confirmed reports Tuesday that her husband would resign later this week, but she said her ill health was not the reason. The New York Times reported.

[She said the Weinbergers had been planning the move since spring.

"All the stories you hear about my general health are not true," she said in a telephone interview from a hotel in Monterey, California, where she is with her husband, who is attending a NATO meeting. "I don't know what they are thinking about."

The president is also considering appointing Lieutenant General Colin L. Powell, the deputy national security adviser, to succeed Mr. Carlucci, the officials said. Before coming to the White House, General Powell served as military assistant to Mr. Weinberger.

Administration sources said Tuesday that an official announcement was expected Thursday.

Mrs. Weinberger is suffering from cancer and severe arthritis.

Mr. Weinberger, 70, has held a powerful seat in Mr. Reagan's cabinet, enhanced in part by his long

Defense Secretary Caspar W. Weinberger

# Klosk

## Paris to Charge Irish Crewmen

BREST, France (Reuters) — Part of the 150 tons of arms discovered on a cargo ship off France over the weekend was destined for the Irish Republican Army, a French prosecutor, Michel Briard, said Tuesday.

He said five Irishmen arrested on the coaster Eksund in Paris with illegally transporting arms for "disturbing public order by intimidation or terror." Customs sources said SAM-7 missiles were among the cargo.

# Superpowers Might Hold 4th Summit

MOSCOW — President Ronald Reagan has agreed to the possibility of a fourth summit meeting with Mikhail S. Gorbachev next May or June at which an accord slashing strategic nuclear arsenals by 50 percent could be signed, a Soviet official said Tuesday.

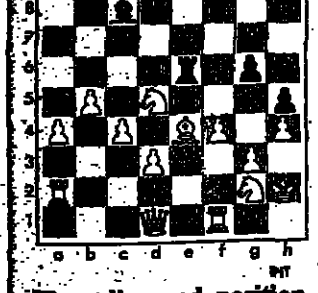
The 1988 Moscow summit meeting is part of a package proposal that includes Mr. Gorbachev's visit this December to Washington. Mr. Reagan is said to have agreed to the package Friday during a visit to Washington by Eduard A. Shevardnadze, the foreign minister.

Viktor Karpov, head of the Soviet Foreign Ministry's Arms Control Department, told the official Tass news agency that the proposal for the linked summits was contained in a letter Mr. Gorbachev sent to Mr. Reagan via Mr. Shevardnadze.

The two leaders are scheduled to meet in the United States, most likely in Washington, Dec. 7 for their third summit meeting in three years. They are expected to sign a treaty eliminating medium- and shorter-range nuclear missiles and lay the groundwork for next spring's summit meeting and agreement on long-range strategic arms.

The last U.S. president to visit the Soviet Union for a summit meeting was Gerald Ford, who met Leonid I. Brezhnev in Vladivostok in 1974.

Tass quoted Mr. Karpov as saying that "an understanding was reached" that the Moscow meeting would conclude with a strategic weapons agreement.



The adjourned position in the eighth game of the world chess championship. Garri Kasparov, playing white, forced Anatoli Karpov to resign in eight moves. Page 2.

GENERAL NEWS

NATO ministers were meeting to discuss possible deployment of new nuclear arms in Europe. Page 3.

Italy's coalition government faces strikes, inflation and a growing trade deficit. Page 2.

Portugal has proposed a major reversal over race policy for school sports. Page 2.

Negotiations to reduce the U.S. budget deficit have run into problems. Page 3.

BUSINESS/FINANCE

Nigel Lawson predicted that Britain's economy would grow 4 percent this year and 2.5 percent in 1988. Page 9.

Texas Supreme Court upheld the \$10.3 billion judgment against Texas. Page 9.

Now close: DOWN 50.56  
The dollar in New York:  
DM \$ Yen FF  
1.717 1.742 137.50 5.843



2 Policemen Killed by Frankfurt Demonstrators  
West German riot policemen gathered near a barricade set up by protesters during clashes at Frankfurt International Airport. Two policemen were shot and killed and six were injured by the demonstrators, who were protesting an airport runway that was inaugurated in 1984. Page 2.

# U.S. Kills a Fisherman in Gulf

## Iran Bids to Guard Merchant Ships

By Loren Jenkins  
Washington Post Service

SHARJAH, United Arab Emirates — A 24-year-old Indian fisherman on a United Arab Emirates fishing boat was killed Sunday when a U.S. Navy frigate fired on three Arab fishing boats apparently believing the Arab vessels were Iranian, port officials and witnesses said Tuesday.

The incident prompted Iran to offer Tuesday night to defend "all merchant ships and tankers, irrespective of their flags if they are made targets by U.S. forces and if they put out an SOS."

The Iranian promise, made by Kamal Kharazi, the head of the Iranian War Information Headquarters, seemed intended to taunt the United States, which has restricted its defense of free navigation in the Gulf to U.S.-flagged ships.

The incident seemed to confirm fears that the increasingly crowded Gulf was becoming dangerous for navigation — not only for belligerents in the Iran-Iraq war and their allies, but also for the thousands of sailors who make their living there by shipping and fishing.

The waterway has had a naval buildup that includes about 40 foreign warships and hundreds of Iranian gunboats and armed dhows.

The incident seemed sure to fuel unease at the dangers that have come with the growing U.S. and European naval presence in the Gulf since July, when the United States agreed to refuel 11 Kuwaiti tankers and protect them.

Separately, in Kuwait, a bomb exploded under a police van Tuesday near the Interior Ministry near where the commander of U.S. forces in the region was holding secret talks with Kuwaiti officials.

# Armacost Warns China on Missiles

By Daniel Southerland  
Washington Post Service

BEIJING — A U.S. official said Tuesday he had warned China that sales of Silkworm missiles to Iran could erode U.S. domestic support for U.S.-China relations, including sales of high technology.

But Michael H. Armacost, undersecretary of state for political affairs, gave no indication that Chinese officials have changed their stand that China is not selling weapons to Iran.

At a press conference, Mr. Armacost said that when weapons of Chinese origin "hit American flagships and injure Americans and also are directed against friendly nations in the Gulf, this has political impact in the United States and potentially erodes support for the



EASY DOES IT — In Manila, bomb disposal experts hover over a bundle of dynamite sticks found inside a meeting hall that is scheduled to be used next month for a summit conference of six Asian heads of state. Page 2.

# Dollar Slides To Postwar Low As Bonn Accepts Weaker Level

By Ferdinand Protzman  
International Herald Tribune

FRANKFURT — The dollar touched postwar lows against the Deutsche mark and Japanese yen on Tuesday before recovering slightly, and foreign-exchange traders said central banks appeared to be letting the market determine a stable level for the U.S. currency.

Analysts said that views expressed in New York on Monday by the Bundesbank's president, Karl Otto Pöhl, and the West German central bank's decision on Tuesday not to offer fresh liquidity to the money market showed that the bank would now offer only slight resistance to a further weakening of the dollar.

In Frankfurt, the dollar was fixed at midday at a record low of 1.7050 DM, more than 1.5 pfennigs down from 1.7204 on Monday.

Later in New York, the dollar traded briefly below 1.70 DM. But short-covering helped to push it back up and it closed at 1.7170, up a bit from 1.7105 at Monday's close.

The dollar also touched a postwar low against the Japanese yen of 136.03 yen in Europe before recovering somewhat and closing marginally higher in New York.

The dollar has dropped by 46 percent since a peak in early 1985, and the slide has accelerated since Oct. 19, when Wall Street share values plunged.

In the past week alone the dollar has slumped about 15 pfennigs and 11 yen.

Mr. Pöhl, referring to last February's Louvre accord among major industrialized nations on currency stabilization, warned Monday that stable exchange rates should not be a goal in themselves.

"Overambitious commitments to peg certain exchange rate levels or target zones run the risk not only of clashing with domestic monetary objectives but of collapsing when the markets test them," he said.

"What we are really aiming for is a coordinated process of noninflationary growth."

The Bundesbank reiterated its opposition to stimulatory measures on Tuesday when Claus Kohler, a member of the bank's board, said the bank was supplying ample funds to the domestic money market and would maintain sufficient liquidity in the future.

The central banker's remarks came shortly after the Bundesbank announced it would not call for new securities repurchase tenders this week to replace about 7.3 billion DM of such agreements that expire on Wednesday. Securities repurchase agreements add liquidity to the money supply, putting

# Dow Loses 50.56 Points, Ending Rally

Compiled by Our Staff From Dispatches

NEW YORK — U.S. share prices dropped sharply Tuesday, snapping the market's five-session rally as investors sold to take profits.

The Dow Jones industrial average, which ended last week's trading with a 20.56-point gain, closed 50.56 points lower at 1,963.53 on Tuesday.

Dealers blamed a weak London stock market and discomfort with U.S. government efforts to reduce the large budget and trade deficits. The lack of government progress undermined the dollar, further depressing stock prices, they said.

However, the market trimmed its worst losses just before the close of trading. The Dow Jones average of 30 major U.S. stocks had been off by as much as 113 points little more than an hour before the close, which again was at 2:30 P.M. instead of the usual 4 P.M.

The major exchanges closed early in a continuation of the shortened trading hours instituted on Oct. 23.

Broader market indexes also fell. The New York Stock Exchange index was down 2.70 points at 140.04 shortly before the close, while the price of an average share was \$11.10 lower.

Issues declining in value led advancing ones by a 3-1 ratio, and volume rose to 229.38 million shares from 176 million traded on Monday.

Prices fell in active trading on the American Stock Exchange and on the over-the-counter market.

Traders said the dollar's lower value and the apparent lack of pro-

# Senior Sandinist Officer Is Said to Defect to U.S.

By Stephen Kinzer  
New York Times Service

MANAGUA — A senior Nicaraguan military officer apparently defected to the United States last week, according to diplomats and politicians.

They said on Monday that the apparent defection was a serious blow to the Sandinista government and a possible intelligence coup for the United States.

The officer, Major Roger Miranda Bengoechea, abruptly left Nicaragua on Oct. 25, according to a terse Nicaraguan government communiqué issued over the weekend. The communiqué said he had left "in an abnormal way" with at least \$15,000 in government funds.

Major Miranda was the chief personal assistant to Defense Minister Humberto Ortega Saavedra, associates said Monday. He was also one of about 105 members of the Sandinista Assembly, the top consultative body of the principal ruling party, the Sandinista National Liberation Front.

"He was Humberto Ortega's right-hand man," one of the major's friends said Monday.

Major Rosa Passas, the Defense Ministry spokeswoman, described Major Miranda as "a member of the secretariat in the minister's office." She said she had no information beyond what was in the communiqué.

At the U.S. Embassy in Managua, a spokesman, Alfred Lamm, said he knew nothing about Major Miranda's background or present whereabouts.

(In Washington, the U.S. State Department had no comment on the matter.)

A Sandinist military officer who asked not to be named described the matter as "a very high-level case."

"We are aware that this happens and is going to continue to happen," the officer said.

It was not clear if Major Miranda had maintained any relationship with the United States or any other foreign power before he fled. Officials with access to Western intelligence reports said they believed that he had taken a flight to Mexico, where he had lived before for several years, and reportedly from there to the United States.

"Even if he has not been working for the CIA all these years, he is still a gold mine for them," said a foreign military officer who studies the Nicaraguan Army. "He knows a great deal. He was in a very sensitive position."

Associates said that Major Miranda supervised the defense minister's personal staff and directed the public-relations effort of the military.

They said he took the official notes at meetings of the military general staff, and was often present at private interviews at which Mr. Ortega discussed tactics, strategy and intelligence with subordinates and foreign military advisers.

The government communiqué said that Major Miranda had been under investigation for "various anomalies." It said his extradition would be sought when he surfaced.

The pro-Sandinist newspaper Nuevo Diario reported Sunday that news of Major Miranda's flight "exploded like a bomb in government circles, causing shock and surprise."

Major Miranda, 34, joined the Sandinista Front in the 1970s. As a guerrilla, he fought in crucial battles in southwestern Nicaragua. He became a close aide to Mr. Ortega soon after the Sandinistas came to power in 1979.

The highest-ranking Sandinist to quit the movement was Edén Pastora Gómez, who at the time of his resignation in 1981 was deputy defense minister and chief of the militia. He later became an anti-Sandinist fighter, then gave up fighting and is now living in Costa Rica.

# Intimacy: A Psychotherapy Grail for the Late '80s

By Daniel Goleman  
New York Times Service

NEW YORK — Intimacy, that combination of self-disclosure and emotional closeness, is carrying more of a premium than ever. Since the 1950s, surveys show, more people have come to see intimacy in friendship, at work and at home as increasingly important to their sense of satisfaction in life.

Therapists are finding, however, that the very resistance to intimacy that plagues personal relationships is a powerful tool in psychotherapy.

"A person's obstacles to being open become obvious in therapy," said Ernest Wolf, a psychiatrist and training analyst at the Chicago Institute for Psychoanalysis.

"For the first time in his life, the patient becomes aware of what he has been doing in his relationships all through life."

The resistance to intimacy shows in therapy when patients are unreasonably hostile toward therapists, when patients distort what therapists have said or done, or when patients remain silent.

These forms of resistance become a major focus of psychotherapy because they illuminate how the patient acts in other relationships. Such insights can greatly help patients become more intimate, therapists find.

For some people, the prospect of intimacy brings fear or remoteness.

"To be intimate means being willing to be affected by someone else's feelings, to be aware of the nuances of their inner meanings and their moods," Dr. Newirth said. People who need to insulate themselves from the emotional demands of others fear this.

Such people often adopt patterns in relationships that ensure a safe emotional distance. Some people alternate between involvement and distance, breaking up and making up over and over, or ending relationships as they become too intimate. Others tend to become involved with partners who have some flaw that guarantees







# Last-Minute Politics: Voter Shifts Make U.S. Races Hard to Call

By E.J. Dionne Jr.  
New York Times Service

WASHINGTON — Off-off-year elections are poor guides to the future of national politics. But the contests this year offer some striking evidence of an electorate given to sudden shifts in allegiance and of local political establishments in deep disarray.

On Tuesday, in a year when there will be no congressional contests, voting highlights were gubernatorial elections in Kentucky and Mississippi and a bitter mayoral election in Philadelphia.

In all three races, Democrats were favored, although Republicans seemed to be surging in the final moments in Mississippi. In Philadelphia, where Mayor W. Wilson Goode, a Democrat, faces former Mayor Frank L. Rizzo, a Republican, the outcome was likely to depend on which party did a better job turning out its vote.

If any of these contests produces a surprise, that will not be much of a surprise for those who have been following the 1987 elections. In state after state, what seemed like obvious wisdom at one stage in a campaign turned into patent nonsense later.

The pattern for this year was set first in the Kentucky Democratic gubernatorial primary in May. The early wisdom was that former Governor John Y. Brown was the favorite, and that his major challenger would be Lieutenant Governor Steve Beshear.

Other candidates included a little-known businessman, Wallace Wilkinson. He registered only about 5 percent in opinion surveys and seemed to have absolutely no chance.

Mr. Wilkinson won. In fact, he won easily on a blaze of television commercials that painted him as the nonpolitician who would change the way politics was conducted in Kentucky and stop any new tax increases by instituting a state lottery.

What was most striking is that Mr. Wilkinson picked up most of his support the final week of the campaign.

Next came Louisiana, and there the wisdom proved right on one thing: Governor Edwin W. Edwards, a Democrat, his image blackened by corruption charges, his popularity sapped by the economic mess in the state, lost.

But the man who defeated him in a multiparty primary was a surprise. Representative Buddy Roemer, a Democrat like Mr. Wilkinson, had been last in the surveys all summer. Other candidates, including Representative Robert L. Livingston, a Republican, seemed the far more likely victor.

In the final two weeks of the campaign Mr. Roemer ran an aggressive television advertising program and vaulted past everyone. Like Mr. Wilkinson, Mr.



The Democratic presidential hopefuls debated social policy Monday in New Orleans. From left are Governor Michael S. Dukakis of Massachusetts, Representative Richard A.

Gephardt of Missouri, the Reverend Jesse L. Jackson, former Governor Bruce Babbitt of Arizona, Senator Albert Gore Jr. of Tennessee and Senator Paul Simon of Illinois.

Roemer cast himself as the champion of those who wanted to take on the power structure. Like Mr. Wilkinson, he was a Democrat with an appeal to conservatives.

Mr. Roemer was so strong that he knocked Mr. Livingston into a poor third-place finish, persuading Mr. Edwards, who came in second, to drop out rather than face a humiliating result in the runoff.

In Mississippi, matters were only slightly different. The state auditor, Ray Mabus, went into the cam-

paigned with broad support, and his overwhelming victory in the Democratic primary was not nearly the surprise that Mr. Roemer's or Mr. Wilkinson's was.

What Mr. Mabus shared with those candidates, however, was an anti-establishment image, in this case based on achievements in battling corruption in local Mississippi government.

Harris Diamond, a consultant to Mr. Roemer's campaign, says all three races have important things

to say about future U.S. politics. In the first place, he says they demonstrate that the power of local politicians to deliver votes is at a record low.

"The old-boy network is dead," Mr. Diamond said. "Roemer, Wilkinson and Mabus all ran without — and against — the courthouse crowd."

Absent ideology, bossism or tradition, what was left was television. John D. Deardourff, a leading Republican media consultant, said: "It really takes to the end of the campaign now for voters to really get a fix on people."

"For most people," he said, "the electoral process is a 72-hour phenomenon. It puts much too high a premium on the work of people like me."

Mr. Diamond said the trend toward last-minute voting decisions reflected the extent to which voters were repelled by, and impatient with, the demands of politics.

Last-minute politics may, in fact, be coming back to haunt Mr. Mabus in Mississippi. Though he led all summer over Jack Reed, a Republican, he has been steadily dropping in the surveys and was said to face a far closer contest than expected.

Even Mr. Wilkinson, in the Kentucky gubernatorial race, has suffered from last-minute changes of heart in the final weeks of the contest. His once-overwhelming lead over John Harper, a Republican state legislator, appears to have slipped, though Republicans concede it would take a miracle for Mr. Harper to win.

If there is a lesson for 1988 presidential politics, it may be that, especially in the Democratic contests, where the candidates are neither well-known nor especially easy to characterize philosophically, the early standings mean less than usual.

## NATO Discusses Placing New N-Arms in Europe

By R. Jeffrey Smith  
Washington Post Service

MONTEREY, California — Defense ministers of the North Atlantic Treaty Organization have gathered here to consider plans for deploying new nuclear forces in Europe after U.S. and Soviet leaders sign a treaty eliminating intermediate-range nuclear forces.

The classified plans, drawn up in recent months by NATO's High-Level Group of defense officials, are said to include options for deploying new fighter aircraft, battle-field missiles, air-launched cruise missiles and other weapons with nuclear warheads.

These forces fall outside the purview of the treaty, which covers U.S. and Soviet medium- and shorter-range nuclear missiles.

A summit meeting between President Ronald Reagan and the Soviet leader, Mikhail S. Gorbachev, to sign the treaty is scheduled for Dec. 1 in Washington. The "double-zero" treaty would force the Soviet Union to dismantle its SS-20 mobile missiles as well as SS-4 and SS-20 short-range missiles.

Interest in the new deployments stems from what Defense Secretary Caspar W. Weinberger described as a need to correct the "mal-deployment" of nuclear forces that would remain after the intermediate-forces treaty takes effect.

U.S. and NATO officials have been busy trying to avoid any impression that the plans to be discussed this week are designed to compensate for the withdrawal of 300 U.S. Pershing-2 and ground-launched cruise missile warheads under the treaty.

Such an impression would play into the hands of Moscow, officials said in Monterey, by lending credence to Soviet allegations that the deployments would enable the West to circumvent the arms agreement.

"As you take down warheads, you have to look at what's left," Mr. Weinberger said Monday.

"One of the ways of ensuring that what's left is enough is modernization."

According to an Oct. 22 speech by Mr. Weinberger at Johns Hopkins University, one of the new weapons under consideration is a "follow-on" to the aging Lance sur-

face-to-surface" missile, which has a range of 74 miles and is deployed in West Germany, Britain, Belgium, Italy and the Netherlands.

Mr. Weinberger also spoke of the need to "increase the effective range" and survivability of NATO aircraft capable of carrying conventional and nuclear warheads.

"In the absence of the Pershing-2s and ground-launched cruise missiles, this is essential" to provide the alliance with a capability to strike Soviet territory from Western Europe, Mr. Weinberger said.

There are 400 U.S. Poseidon submarine missile warheads, 1,071 nuclear-capable aircraft and more than 1,000 tactical nuclear artillery shells that are not covered by the intermediate-forces treaty and available to NATO forces.

A third NATO option, which has aroused some protests from West Germany, is to deploy new battle-field nuclear artillery shells and increase their range to about 30 miles from about 12 miles.

The West Germans are said to be concerned that such shells will be used on their territory, and have recommended instead that NATO consider negotiating U.S. and Soviet reductions in such weapons. But other allied governments have opposed the negotiations as a step toward the "denuclearization" of Western Europe.

A fourth option is the deployment of new air-launched cruise missiles with a range of about 350 miles. There also has been scattered discussion of deploying new sea-launched cruise missiles under NATO control, but the idea has so far attracted little enthusiasm.

A final NATO decision is still months or years away, according to the U.S. representative to the alliance, Alton G. Keel Jr.

Mr. Keel acknowledged that the effect of a decision to deploy more modern nuclear forces would be to limit the total number of U.S. warheads removed from Europe, lessening the treaty's impact on NATO's military posture.

He added that none of the options calls for a "one-for-one substitution" of new warheads for those being removed.

"I think there will be a net reduction in the number of U.S. warheads under NATO control," he said.

## Yeltsin May Face Discipline by Party

By Gary Lee  
Washington Post Service

MOSCOW — A leading Kremlin official hinted Tuesday that Boris N. Yeltsin, the head of the Communist Party in Moscow and the center of a Kremlin flap, faces internal party discipline and could be dismissed.

Asked at a press conference here about a speech Mr. Yeltsin made at a meeting of the Soviet Central Committee on Oct. 21, Alexander N. Yakovlev, the Soviet propaganda chief, said: "We have our inter-

nal party affairs. If someone breaks the rules, then he breaks internal party discipline and he must leave."

Mr. Yeltsin, a nonvoting member of the Politburo, had been considered one of Mikhail S. Gorbachev's staunchest supporters.

Mr. Yakovlev, who is said to have come to Mr. Yeltsin's defense at the party meeting, dismissed as "fantasy" reports that Mr. Yeltsin had questioned Mr. Gorbachev's leadership and had complained about a "cult of personality" and the pace of perestroika, or restructuring.

He said instead that Mr. Yeltsin had supported Mr. Gorbachev's reforms.

According to some reports, Mr. Yeltsin has offered his resignation. "This is not a fire," Mr. Yakovlev said in an apparent attempt to lessen interest in the affair. He added that the Moscow party would eventually examine the affair. "We are not in any hurry," he said.

The appearance of Mr. Yakovlev, 63, in connection with the celebration of the Soviet Union's 70th anniversary, gave him rare public exposure. He is said to be Mr. Gor-

## Adelman Doubts Strategic Arms Pact

By Jack Nelson  
Los Angeles Times Service

WASHINGTON — President Ronald Reagan has little or no chance of reaching an agreement with the Soviet Union to reduce long-range missiles, Kenneth L. Adelman, director of the Arms Control and Disarmament Agency, said Monday.

He added that Mr. Reagan also faces substantial problems in seeking Senate ratification of the soon-to-be-completed treaty banning medium- and shorter-range nuclear weapons.

Mr. Adelman, who has announced plans to leave the Reagan administration after the December summit meeting with the Soviet leader, Mikhail S. Gorbachev, said he still expects the Senate to ratify the Intermediate Nuclear Forces treaty eventually. But he said Senate opponents would be emboldened by Mr. Reagan's political weakness in the aftermath of the Iran-contra affair and could try to attach "killer" amendments aimed at precluding ratification.

By the time political opponents have finished attacking it, Mr. Adelman contended, the agreement "won't seem like such a grand achievement." Although he said he supported the treaty, Mr. Adelman said that opponents could make "powerful arguments" that it was

bad for national security. And he expressed concern about verification of Soviet compliance.

Mr. Reagan and Mr. Gorbachev plan to sign the treaty, which Mr. Reagan has hailed as the first agreement ever to eliminate an entire class of nuclear weapons, at a summit meeting in Washington scheduled for Dec. 7.

Administration officials have said that they might also reach agreement on a treaty to cut long-range missiles by 50 percent in time for a summit meeting in Moscow in the spring.

But Mr. Adelman, in an unusually pessimistic assessment of the

arms control outlook that stands in sharp contrast with the president's views, raised questions about the intermediate-forces agreement and predicted that Mr. Reagan and Mr. Gorbachev — instead of signing an agreement to reduce long-range missiles — would settle for a preliminary "framework" for agreement.

The proposed treaty covering intermediate forces would ban all missiles with ranges of 300 to 3,000 miles (500 to 5,000 kilometers). A strategic arms treaty would limit the number of long-range missiles, those that can reach targets more than 3,000 miles away.

measures relative to third-country pricing," the ministry said in a statement.

The Japanese ministry also said progress was being made on opening Japanese markets.

"Concerning the market access issue, MITI would like to emphasize, at this moment, that the situation has clearly been improved," the ministry said.

Dumping is the practice of selling products below cost to capture market share.

Japanese officials have said in the past that the lack of market penetration by U.S. companies is not due to Japan's policy but the failure of U.S. firms to meet Japanese standards. (Reuters, UPI)

## U.S. to Curtail Japan Trade Sanctions

Compiled by Our Staff From Dispatches

WASHINGTON — The White House announced Tuesday that trade sanctions against Japan would be partially lifted, probably this week, following a finding that Japan had stopped dumping computer chips in foreign markets outside the United States.

Sanctions involving 100 percent tariffs on certain Japanese electronic goods and totaling \$300 million were imposed in April because of what Washington said was the dumping of computer chips in the United States and in third countries and the failure of Japan to open its markets to U.S.-made chips.

The chief White House spokesman, Martin Fitzwater, said that \$84 million in sanctions would be lifted "probably this week," leaving in place \$165 million in sanctions.

However, in a wide-ranging press conference that lasted for an hour and a half, Mr. Yakovlev, handled thorny questions with a style more reminiscent of an earlier generation of Soviet officials.

He was asked why Mr. Gorbachev, in a major speech on Monday, had referred to the "thousands" and not the millions who had suffered under Stalin.

He responded by suggesting that historical accounts of the millions of people purged or killed through forced collectivization under Stalin were "rumors."

Western and some Soviet historians agree that at least seven million people died during the collectivization drive of the 1930s.

"Why do you think?" Mr. Yakovlev said in a reference to Mr. Gorbachev's remark, "that if he had said millions he would have been speaking more truthfully than if he had said thousands."

"I know the rumors that persist in the West," he said, adding that "many rumors lie on the conscience of certain people."

Orchestre de Paris  
Directeur Musical Daniel Barenboim  
AUDITION  
Recruitment of  
1. One double-bass (co-principal) (1st category)  
Audition: Wednesday 9 and Thursday 10 dec. 87  
2. One violin (rank and file) (4th category)  
Audition: Thursday 10 dec. 87  
Closing date for application: 26 nov. 87  
For additional information, please contact:  
ORCHESTRE DE PARIS  
Service du Personnel - Services Techniques  
SAULE PLEYEL  
32, rue du faubourg St Honoré 75008 PARIS  
Tel. 45.61.96.39

### THE FIRST HAPSBURG MALT WHISKY.

The Glenlivet dynasty can be traced back to 1747 when the Hapsburg kings ruled in Austria.

Today, Scotland's first malt whisky is also first choice in Vienna.

Scotland's first malt whisky.

## AMERICAN TOPICS

### Using Econometrics In Buying Bordeaux

Where does a serious wine buyer or collector find the most trustworthy information on Bordeaux and Napa Valley red wines? Not in the "sensory evaluation" of wordy wine critics, says Orley Ashenfelter, an economics professor at Princeton University, but in long-term temperature and rainfall data.

Mr. Ashenfelter, who specializes in econometrics, the application of statistics to economic problems, publishes a wine newsletter, "Liquid Assets." An associate collects weather data from public records at Mâcon Airport in Graves, near Bordeaux. Mr. Ashenfelter said the data correlate fairly predictably with vintage quality.

"It is no secret that hot, dry summers are the key to a high-quality red Bordeaux vintage," he wrote from 1952 to 1985, he noted, the median August-September rainfall was 126.5 millimeters (4.9 inches). The median July-August temperature was 19.4 degrees centigrade (66.6 degrees Fahrenheit). "The only summers in this period with below-median warmth and above-median rainfall were 1954, 1956, 1958, 1960, 1963, 1965, 1968 and 1972," Mr. Ashenfelter wrote. "These vintages sell at auction infrequently, but when they are sold it is typically at very, very low prices."

When A. Richard Ross, 47, a longshoreman in Long Beach, California, was asked how he plans to invest his half of the \$12.72 million that he and a friend won in the California lottery, he replied, "Stay away from the stock market."

Overheard by Arlene Stern, a New York Times reader, in a hushed gallery at the Museum of Modern Art:

Mother (to small child): Now, remember, what is the first rule when we are in a museum?

Toddler (in the top of her lungs): NO YELLING!

A subconscious desire in Washington for President Ronald Reagan to succeed, after a series of failed presidents, contributed to the news media's early portrayal of him as more popular with the public than he truly was, according to researchers at the University of California at San Diego. They found in their study of post-1945 opinion polls that Mr. Reagan was the least popular of all newly elected presidents dating back to Dwight D. Eisenhower.

Shorter Takes: A jail prisoner was killed and another injured when a makeshift rope of sheets broke as they were lowering themselves from the fourth floor of the Bi-State Justice Building in Texarkana, Texas.

The New York Public Library, overflowing with books, is to add 84 miles (136 kilometers) of stacks to be built under adjoining Bryant Park, which will be restored. The project will take two and a half years and cost the city \$21.6 million.

Starting Dec. 6 it will be illegal for any individual in Pennsylvania to possess milk- and bread-delivery crates or shopping carts, on pain of a \$300 fine or 90-day jail sentence.

—ARTHUR HIGBEE

### Difficulties Arise in U.S. Budget Talks

New York Times Service

WASHINGTON — Negotiations between Congress and the Reagan administration to reduce the federal budget deficit have run into problems as Democrats charged that the White House was being inflexible.

At the same time, House and Senate leaders and a White House spokesman said Monday that a reduction in the cost-of-living increase for Social Security was not a concrete proposal in the negotiations seeking ways to reduce the deficit by at least \$25 billion.

The Senate Democratic leader, Robert C. Byrd, charging Tuesday that President Ronald Reagan was not "wholeheartedly engaged" in the bargaining, said he was unhappy with the talks so far and was ready to move ahead with a Senate package of tax increases and budget cuts, United Press International reported from Washington.

According to Democratic officials involved in the negotiations, which resumed briefly Monday afternoon, White House negotiators did not live up to the agreement to put all programs, except Social Security, on the table for discussion.

Instead, they said, the White House team retreated to Mr. Reagan's original budget proposals, insisting on a small package of increases in taxes and a mix of spending cuts that protects the military budget.

The Senate Democratic leader, Robert C. Byrd, charging Tuesday that President Ronald Reagan was not "wholeheartedly engaged" in the bargaining, said he was unhappy with the talks so far and was ready to move ahead with a Senate package of tax increases and budget cuts, United Press International reported from Washington.

According to Democratic officials involved in the negotiations, which resumed briefly Monday afternoon, White House negotiators did not live up to the agreement to put all programs, except Social Security, on the table for discussion.

Instead, they said, the White House team retreated to Mr. Reagan's original budget proposals, insisting on a small package of increases in taxes and a mix of spending cuts that protects the military budget.

The Senate Democratic leader, Robert C. Byrd, charging Tuesday that President Ronald Reagan was not "wholeheartedly engaged" in the bargaining, said he was unhappy with the talks so far and was ready to move ahead with a Senate package of tax increases and budget cuts, United Press International reported from Washington.

According to Democratic officials involved in the negotiations, which resumed briefly Monday afternoon, White House negotiators did not live up to the agreement to put all programs, except Social Security, on the table for discussion.

Instead, they said, the White House team retreated to Mr. Reagan's original budget proposals, insisting on a small package of increases in taxes and a mix of spending cuts that protects the military budget.

The Senate Democratic leader, Robert C. Byrd, charging Tuesday that President Ronald Reagan was not "wholeheartedly engaged" in the bargaining, said he was unhappy with the talks so far and was ready to move ahead with a Senate package of tax increases and budget cuts, United Press International reported from Washington.

According to Democratic officials involved in the negotiations, which resumed briefly Monday afternoon, White House negotiators did not live up to the agreement to put all programs, except Social Security, on the table for discussion.

Instead, they said, the White House team retreated to Mr. Reagan's original budget proposals, insisting on a small package of increases in taxes and a mix of spending cuts that protects the military budget.

The Senate Democratic leader, Robert C. Byrd, charging Tuesday that President Ronald Reagan was not "wholeheartedly engaged" in the bargaining, said he was unhappy with the talks so far and was ready to move ahead with a Senate package of tax increases and budget cuts, United Press International reported from Washington.

According to Democratic officials involved in the negotiations, which resumed briefly Monday afternoon, White House negotiators did not live up to the agreement to put all programs, except Social Security, on the table for discussion.

Instead, they said, the White House team retreated to Mr. Reagan's original budget proposals, insisting on a small package of increases in taxes and a mix of spending cuts that protects the military budget.

The Senate Democratic leader, Robert C. Byrd, charging Tuesday that President Ronald Reagan was not "wholeheartedly engaged" in the bargaining, said he was unhappy with the talks so far and was ready to move ahead with a Senate package of tax increases and budget cuts, United Press International reported from Washington.

According to Democratic officials involved in the negotiations, which resumed briefly Monday afternoon, White House negotiators did not live up to the agreement to put all programs, except Social Security, on the table for discussion.

Instead, they said, the White House team retreated to Mr. Reagan's original budget proposals, insisting on a small package of increases in taxes and a mix of spending cuts that protects the military budget.

The Senate Democratic leader, Robert C. Byrd, charging Tuesday that President Ronald Reagan was not "wholeheartedly engaged" in the bargaining, said he was unhappy with the talks so far and was ready to move ahead with a Senate package of tax increases and budget cuts, United Press International reported from Washington.

According to Democratic officials involved in the negotiations, which resumed briefly Monday afternoon, White House negotiators did not live up to the agreement to put all programs, except Social Security, on the table for discussion.

Instead, they said, the White House team retreated to Mr. Reagan's original budget proposals, insisting on a small package of increases in taxes and a mix of spending cuts that protects the military budget.

The Senate Democratic leader, Robert C. Byrd, charging Tuesday that President Ronald Reagan was not "wholeheartedly engaged" in the bargaining, said he was unhappy with the talks so far and was ready to move ahead with a Senate package of tax increases and budget cuts, United Press International reported from Washington.

According to Democratic officials involved in the negotiations, which resumed briefly Monday afternoon, White House negotiators did not live up to the agreement to put all programs, except Social Security, on the table for discussion.

Instead, they said, the White House team retreated to Mr. Reagan's original budget proposals, insisting on a small package of increases in taxes and a mix of spending cuts that protects the military budget.

### INTERNATIONAL BUSINESS OPPORTUNITIES

#### A GOLDEN OPPORTUNITY IN SWITZERLAND

A renowned highly profitable service company practically without competition present in every major city in Switzerland since 1974, is offering a controlling interest for sale to the right person or entity. Includes a 2 bedroom condominium apartment near Zurich.

**YEARLY GROSS PROFIT S.F. 1,800,000 — (U.S. \$1,200,000 — approximately).**

**AMBITION, EFFICIENT SWISS MANAGEMENT TEAM.**

Figures, balance sheets can be inspected at our Zurich offices.

Tel. Zurich (01) 48 16 466. Telex 815085 EURA CH.

### INTERNATIONAL GEMMOLOGICAL INSTITUTE

CERTIFICATES ACCEPTED AND RECOGNIZED ALL OVER THE WORLD

ANTWERP NEW YORK

ONE WEEK INTENSIVE DIAMOND AND COLORED STONES COURSES.

For more information Schupstraat 177 • 2018 Antwerp Tel.: 03/232.17.58 Belgium.

### GUILD HOUSE

36-38 FENCHURCH STREET EC3

**BUSINESS CENTRE**

01-829 5252

Prestigious fully serviced small offices and suites to let from 50-1,700 sq. ft. Rent, rates and terms available on request.

**IMMEDIATE OCCUPATION**

Phone today for details and viewing.

LOCAL LONDON GROUP PLC

### OIL OFFSHORE INCORPORATIONS LIMITED

Ready made companies available from all major tax jurisdictions, with efficient service, competitive rates.

phone Hongkong 5-212615.

Tlx 65779 HKBC HK Fax 853-5-8100235

### At Least 4 Are Killed By Floods in Jamaica

Reuters

KINGSTON, Jamaica — Flooding caused by a tropical rainstorm in central and southern Jamaica killed at least four persons and left nearly 1,000 people homeless, the police said.

They said Monday that three bridges had been washed away and power poles had been toppled, cutting electricity to some areas.

Asked at a press conference here about a speech Mr. Yeltsin made at a meeting of the Soviet Central Committee on Oct. 21, Alexander N. Yakovlev, the Soviet propaganda chief, said: "We have our inter-

nal party affairs. If someone breaks the rules, then he breaks internal party discipline and he must leave."

Mr. Yeltsin, a nonvoting member of the Politburo, had been considered one of Mikhail S. Gorbachev's staunchest supporters.

Mr. Yakovlev, who is said to have come to Mr. Yeltsin's defense at the party meeting, dismissed as "fantasy" reports that Mr. Yeltsin had questioned Mr. Gorbachev's leadership and had complained about a "cult of personality" and the pace of perestroika, or restructuring.

He said instead that Mr. Yeltsin had supported Mr. Gorbachev's reforms.

According to some reports, Mr. Yeltsin has offered his resignation. "This is not a fire," Mr. Yakovlev said in an apparent attempt to lessen interest in the affair. He added that the Moscow party would eventually examine the affair. "We are not in any hurry," he said.

The appearance of Mr. Yakovlev, 63, in connection with the celebration of the Soviet Union's 70th anniversary, gave him rare public exposure. He is said to be Mr. Gor-

bad for national security. And he expressed concern about verification of Soviet compliance.

Mr. Reagan and Mr. Gorbachev plan to sign the treaty, which Mr. Reagan has hailed as the first agreement ever to eliminate an entire class of nuclear weapons, at a summit meeting in Washington scheduled for Dec. 7.

Administration officials have said that they might also reach agreement on a treaty to cut long-range missiles by 50 percent in time for a summit meeting in Moscow in the spring.

But Mr. Adelman, in an unusually pessimistic assessment of the

arms control outlook that stands in sharp contrast with the president's views, raised questions about the intermediate-forces agreement and predicted that Mr. Reagan and Mr. Gorbachev — instead of signing an agreement to reduce long-range missiles — would settle for a preliminary "framework" for agreement.

The proposed treaty covering intermediate forces would ban all missiles with ranges of 300 to 3,000 miles (500 to 5,000 kilometers). A strategic arms treaty would limit the number of long-range missiles, those that can reach targets more than 3,000 miles away.

measures relative to third-country



# INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

## Gorbachev: Pragmatism

In Beijing, Deng Xiaoping quietly passes power to the next generation to continue a new and pragmatic economic course. He won the battles to do so over the last decade. In Moscow, Mikhail Gorbachev struggles to follow a similar path. His speech to commemorate the Bolshevik Revolution was laced with the historical warfare of 70 years that still resonates in the Kremlin.

The ceremony in Beijing was of more lasting significance, but the speech in Moscow holds more immediate importance. It opens a window into the mind and circumstances of the man who leads the second most powerful nation in the world and who will come to the United States in December for fateful negotiations.

Two things stand out about his address Monday. He was decidedly the pragmatist, threading his way through past and present land mines. He was less startling in condemning past evils than Nikita Khrushchev in his famous Party Congress speech in 1956. But while Mr. Khrushchev's speech was secret and took years to seep into full view, Mr. Gorbachev's was carried live on Soviet television for almost three hours.

The new Soviet leader disappointed all who expected him to tell the whole truth about Soviet history. That so many had such high hopes shows how far toward openness Mr. Gorbachev has come. The disappointment shows how far he has to go.

His speech also showed just how surrounded he is — by friends and enemies, ghosts and fellow leaders, the party elites and the masses. Lenin, of course, was praised

without qualification for his "swift change of form and method, flexibility, unusual tactical solutions, political audacity."

When Mr. Gorbachev took up the Stalin era, he demanded that his comrades face "the bitter truth" — then hedged. He called Stalin's crimes "enormous and unforgivable," then reduced the millions who died in the purges and collectivization to "many thousands." It is tempting to see a compromise between Boris Yeltsin, the Moscow party leader who presses for faster change, and Yegor Ligachev, the second in command who resists blackening of the party's record.

Mr. Gorbachev saved real fervor for his reforms. Some critics, he said, are too timid, and "prefer to keep kicking off the slip-ups" rather than seeking solutions. Others are "overly zealous and impatient." Reflecting the dilemma of a man who must at once exhort his people to greater activism and reassure them on food prices and job stability, Mr. Gorbachev urged the curious combination of "revolutionary restraint."

There is an important message in this for the West, as the Reagan administration prepares for the Soviet leader's visit to Washington. Mr. Gorbachev is sufficiently confident of his personal power that he goes directly to the Russian people. But he is sufficiently wary of support for his policies to tread carefully. Once again, this should warn the West against the unrealistic expectations. Mr. Gorbachev is bound by his own history, culture and political system. As a pragmatist, he never forgets that. The West shouldn't either.

— THE NEW YORK TIMES.

## Deng: Great Experiment

Characteristically, Deng Xiaoping, the octogenarian leader of China's latest and most promising phase of modernization, made astute political use of his retirement. He dragged out with him almost half the members of the Communist Party's Central Committee and Politburo, most of them, like him, the heroes of the old guard, but most of them, unlike him, footdraggers on reform. He arranged to retain, for now, anyway, chairmanship of the party commission that oversees the military. And his protégé, Prime Minister Zhao Ziyang, takes over as party leader.

Not only has Mr. Deng survived revolution, war, purge and privation, he has had the wit to see that China had to start matching the material standards and competition of the industrialized democracies and that it could do so only by embracing, selectively, their ways. Nine years ago he instituted a program of change that in its conceptual boldness and achievement surpasses anything the cautious Soviets even now are contemplating.

Westerners note, with pride and a bit of smugness, that the Chinese are unbending

their economy from the rigidities of central planning and adopting certain aspects of a free market. The Chinese insist, however, that they are building a "primary stage of socialism" in which escape from lingering "semi-feudal" and "semi-colonial" conditions and the clutches of the bureaucracy will take until the middle of the next century. Thus, though reform is hailed as China's liberation, it is to proceed at a very gradual pace — a pace slow enough for the Communist Party, even while it loosens its grip at the local level on some activities, to retain monopoly control at the top. Or so it intends, anyway.

Mr. Deng realized that Mao's Cultural Revolution was strangling China as well as brutalizing its people and that reform could advance only when China had entry to the world economy and no longer was in a state of international siege. This dictated a foreign policy of general accommodation, especially with the West. It gives the United States a huge stake in the success of the great multi-decade experiment that Mr. Deng is bequeathing, he hopes, to friendly heirs.

— THE WASHINGTON POST.

## Don't Slam Shut the Door

The U.S. Congress passed the Immigration Reform and Control Act last year to make it harder for new illegal aliens to stay in the country — and easier for old ones. The act provided amnesty for aliens who had been in the United States since at least 1982. But they were given only 12 months to apply, and even that time has been constricted. Fairness alone would impel Congress to keep the legalization door open an additional year, to May 4, 1989.

The first goal was to deter illegal immigrants by forbidding employers to hire them. Early evidence indicates that this goal is being met. The second goal was to bring out of the shadows hundreds of thousands of aliens who have lived in the country illegally, and furtively, for years. This goal has been less well met.

Many of the eligible aliens need more time to apply. The Immigration and Naturalization Service did not start taking applications until May 5. So far, across the nation, less than a million "illegals" have applied for legalized status. INS legalization offices are operating at 50 percent capacity in the West and only 20 percent in the East. If these rates continue, the program will legalize far fewer aliens than anticipated. Also, the approval process has been painfully slow. Only 75,000 amnesty

requests have been granted. The most effective way to spur applications is to decide cases and let beneficiaries spread the word.

It comes as no surprise that the Immigration Service is still ironing the wrinkles out of this massive effort. There have been computer problems. National and regional information campaigns take time to develop. Outreach and networking have been inadequate. It takes vast effort to penetrate thousands of alien enclaves. In addition, clarification is needed for regulations about length of continuous residence, proof of employment and policies regarding the protection of family members.

Aliens, some daunted by language, have hung back. Some fear, incorrectly, that even if one member of a family is eligible for amnesty, a spouse, parents or children could be deported based on information on the application form. There must be time for accurate information to be disseminated and digested, and for understanding and trust to develop. The Immigration Service is, after all, the agency that deports people.

The Immigration Service has worked hard to make the amnesty program work. By extending legalization to May 4, 1989, Congress would ensure that it does.

— THE NEW YORK TIMES.

## Other Comment

### Do Russians Want Change?

The growing resistance to perestroika, or restructuring, of which Mikhail Gorbachev spoke is a worrying phenomenon, but it did not prevent him from saying, on Politburo's behalf, that the reform program would continue. But in the running of Moscow itself there have been signs that disagreement about pace has become disagreement about policy. And in factories, people unused to taking decisions since the process Mr. Gorbachev has set afoot and calls de-mocratization. The big question is: Do the Russian people want the changes Mr. Gorbachev is determined they shall have? Are they so accustomed to obedience and confinement, like birds in a cage, that they can't think of how to handle the democratic socialism Mr. Gorbachev offers them? That looks like a real danger for, presumably, the relaxation of authority allows people to choose authority if that is what they prefer. Unfortunately there would be many among

Mr. Gorbachev's listeners in the Supreme Soviet who would choose such a course.

— The Guardian (London).

### The Peril of a House Divided

Last Thursday, Attorney General Edwin Meese seized control of the U.S. presidency, jerked it hard to the right, and won Judge Douglas Ginsburg's nomination to the Supreme Court. A few days earlier, Chief of Staff Howard Baker and Secretary of the Treasury James Baker had captured the White House and nudged it slightly to the center, when moderates got Ronald Reagan to say he was willing to negotiate a tax increase with Congress. But the times are too perilous to allow the luxury of ideological holy wars. Resolution of the critical issues of the day — the economy, the Gulf, arms control — demand a united, rational White House working in concert with Congress.

— The Los Angeles Times.

## INTERNATIONAL HERALD TRIBUNE

JOHN HAY WHITNEY, Chairman 1988-1992

KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER  
Co-Chairmen

LEE W. HUBNER, Publisher

JOHN VINOCUR, Executive Editor • WALTER WELLS, News Editor • SAMUEL ABT, KATHERINE KNORR  
and CHARLES MITCHELL, Managing Editors • CARL GEWIRTZ, Associate Editor •

ROBERT J. DONAHUE, Editor of the Editorial Page

RENE BONDY, Deputy Publisher • ALAIN LECOUR and RICHARD H. MORGAN, Associate Publishers •

FRANÇOIS DESMAISON, Circulation Director • ROLF D. KRANEPUHL, Advertising Sales Director •

International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92200 Neuilly-sur-Seine, France.  
Tel.: (1) 46 37 93 00. Telex: Advertising 613595; Circulation 612832; Editorial 612718; Production 630698.

Directeur de la publication: Walter H. Thayer.

Editor for Asia: Michael Richardson, 5 Conventry Rd., Singapore 0511. Tel: 472-7768. Telex: R56928  
Managing Dir. Asia: Malcolm Glenn, 30 Gloucester Road, Hong Kong. Tel: 5-8610616. Telex: 61170

Managing Dir. U.K.: Robin Mackenzie, 65 Long Acre, London WC2E 9LT. Tel: 836-4002. Telex: 362009  
Gen. Mgr. W. Germany: W. Lenz, Postfach 11, 4000 Frankfurt/M. Tel: (069) 726733. Telex: 616721

Pres. U.S.: Michael Corvey, 850 Third Ave., New York, N.Y. 10022. Tel: (212) 732-3800. Telex: 471755  
S.A. capital of 1,200,000 F. RCS Nanterre B 212021126. Commission Paritaire No. 61337

© 1987, International Herald Tribune. All rights reserved. ISSN: 0244-8052.

## As America Stumbles, Japan Is Ready to Run

By Kenichi Ohmae

This is the first of two articles.

TOKYO — Let's be blunt. Americans have mismanaged not only their economy but the world. And many of us in Japan feel it is about time we stopped doing their bidding.

The United States has been calling the shots and sending conflicting economic signals for a decade. It has expected the rest of the world, especially Japan and West Germany, to underwrite America's inability to come to grips with its own problems.

Now, as its problems are becoming critical, America wants Japan to come to the rescue, to carry a heavy share of its burden. There may be some good reasons for that — and we Japanese have tried to comply — but Americans cannot expect to continue to exercise sole leadership.

The era of American hegemony has to end. We Japanese, along with a few European countries, have the right, and the obligation, to share leadership with the United States. We must assert more control of our own affairs and begin to deal with our problems in a way that is right for the world, not just America or Japan.

The Asahi Shimbun, Japan's biggest-circulation newspaper, recently carried a cartoon in which Big Brother, the United States, summons a Japanese official to do something. And the government acts promptly. The next frame of the cartoon shows a package tour of Japanese citizens flying on a jumbo jet to Washington.

They ruefully believe that the U.S. government is the most powerful force for inducing necessary changes in the methods of government.

This unfortunate reality, I believe, is rooted in the styles of American leadership and Japanese follower-ship. America's remains the over-

bearing style of hegemony. This style must change to reflect the growth of its "allies," such as Japan, and the changed attitudes and priorities of its "enemies," such as the Soviet Union.

This American conventional wisdom, coming perhaps from the military practice of dividing everyone into allies and enemies, is becoming obsolete. Even as the Soviet threat seems to diminish, America has begun using such expressions as "high-tech enemy" to describe Japan, or speaking of a "trade war" with Japan.

As these pressures build up, the American mass media have mostly reported American viewpoints about who is to blame. Few Japanese have spoken up, and few Americans were patient enough to listen when they did.

Here are only a few illustrations of what has been going wrong: • In the early 1970s, there was heated debate about color televisions. Quotas and tariffs on color TVs forced most Japanese companies to produce in the United States to overcome trade restrictions. Meanwhile, most U.S. manufacturers left their country to produce in Mexico or Asia.

• For 20 years after the war, Japan had trade deficits with the United States. It worked hard to increase its exports, despite the odds against such a small country ever being able to

## OPINION

## For Ortega, A Moment Of Truth

By Tom Wicker

NEW YORK — During his quick visit to Havana and Moscow, President Daniel Ortega Saavedra of Nicaragua has a decision to make that shouldn't be hard. Either he returns to Managua this week ready to negotiate a cease-fire with the so-called contras, as he agreed when he accepted the Arias peace plan for Central America, or the world will hold him responsible for subverting it.

His Soviet hosts, who profess to support the Arias plan, might help persuade him if they increased their economic aid — particularly the minimum of 365,000 barrels of oil that Nicaragua needs for the rest of the year. In 1986, Soviet oil deliveries totaled 4.6 million barrels; so far this year, only about 3 million barrels have been delivered or promised.

In Washington, President Ronald Reagan is doing his part, no doubt reluctantly. His administration is delaying its planned request for military aid to the contras until January, when the peace plan is supposed to go fully into effect. If it does, either the military aid request won't be made at all or Congress surely won't reject it.

The delay appears to have resulted partly from White House doubts that Congress would approve more military aid while the fate of the peace plan is pending, and from insistence by President Oscar Arias Sanchez of Costa Rica and other Latin leaders that renewed military supplies for the contras would sink the peace accord and renew the war in Nicaragua.

To this point, however, neither Mr. Arias nor Nicaragua's National Reconciliation Commission — established as required by the peace plan — consider Mr. Ortega's Sandinist government to have done enough to satisfy that plan's requirements. Last week, Mr. Arias publicly criticized Mr. Ortega for his unwillingness to negotiate a cease-fire with the contras.

Without such a cease-fire, he pointed out, Honduras would be unable to keep its commitment under the accord to deny use of its territory to the contras. But if a cease-fire were negotiated and an amnesty declared, the Honduran government could demand that the contras lay down their arms and leave Honduras.

The day after Mr. Arias spoke out, however, the Sandinist regime declared that there would "never, at any time or in any place, be any direct or indirect political dialogue with the counter-revolutionary leadership." The peace accords, in fact, do not call for "direct or indirect, political dialogue" or for talks that would involve the contras' future role, if any, in Nicaragua's political life, or of a new form of government. All that's required by the Arias plan is negotiation of a cease-fire, a far less comprehensive undertaking.

Mr. Ortega and the Sandinists are risking a lot by taking a stand against such a negotiation. If they fail to keep the agreement they made with the other four Central American nations in August, Mr. Arias said, he would demand international political and economic sanctions and that "the entire world should isolate them." In that event, too, Mr. Reagan surely would seek further military aid for the contras and Congress would be far more likely to approve it; thus, the contra war probably would continue.

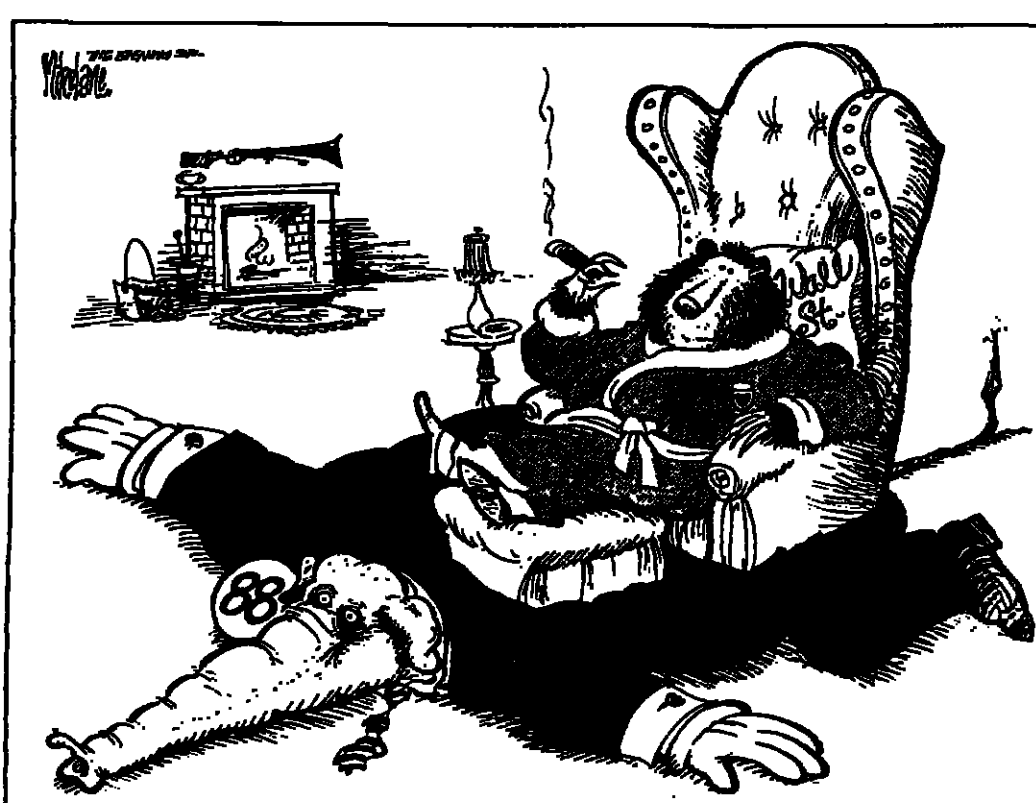
The Sandinists have maintained consistently that their repressive political measures, expensive military forces and poor economic record have been necessitated by the contra war — organized, financed and in large measure directed by the Reagan administration. This plausible claim has brought them much support almost everywhere except in Washington.

If that claim is true, it's hard to see how the Sandinists could refuse a chance to put an end to the war by refusing to negotiate the required cease-fire. If, instead, Mr. Ortega stands on the technicality of refusing to meet with contra leaders, he will not only visit more war on his people and sacrifice much international good will, he will tend to confirm those who believe that, war or no war, the Sandinists do not intend to relax their tight political control in Nicaragua.

So far, the Ortega government has offered to meet with contra military, but not political, leaders and has declared its own cease-fire in four small war zones. Neither Mr. Arias, the Reconciliation Commission or the other parties to the accords regard these actions as sufficient compliance.

Central American leaders are supposed to announce on Nov. 5 how they plan to comply with the accords by January. For Daniel Ortega, that date will bring a moment of truth.

The New York Times.



## The Biggest Danger Is Deficit Hysteria

By Laurence J. Kotlikoff

BOSTON — The panic that engulfed Wall Street on Oct. 19 seems to be subsiding. Now, if the hysteria about the U.S. budget and trade deficits can be calmed, the economy may have a chance.

While deficit hysteria comes in a variety of forms, the standard refrain is that the "twin towers" are distorting the U.S. economy, pushing down the dollar's value, raising interest rates, saddling future generations with debt and threatening the country and the world with severe recession. The cure, it is said, is to cut the budget deficit by \$23 billion, to at least send a signal that "someone is minding the store."

The true story is that conventional budget deficits tell us next to nothing about fiscal policy. There is nothing to suggest that fiscal policy is out of control, or responsible for the evils that are so commonly ascribed to it. In fact, a broader look suggests that the fiscal policy in the 1980s has been tighter than in the 1970s.

Yes, the United States has run large budget deficits in the 1980s. However, the ratio of total government debt — federal, state and local — to gross national product is not particularly high, whether measured against those of other nations or those of the past in the United States. Today, America's net government debt is about 30 percent of GNP, roughly the same as in Japan, Canada or West Germany, and much lower than in Italy or Britain.

Currently, U.S. gross federal debt — not counting government assets — amounts to 54 percent of GNP, compared with 96 percent in 1950, when the country was emerging from World War II. While the 1950 debt burden may have hindered growth, it

certainly didn't stop it. Since 1950, U.S. productivity and per capita disposable income have more than doubled, and the real economy has increased by a factor of three.

We also need to distinguish between real and nominal debt; that is, to figure in the effects of inflation. Real U.S. federal debt will increase only slightly this year, even after adding in the 1987 deficit of \$148 billion. That's because inflation will have reduced the real value of the federal debt by about \$100 billion. If Washington succeeds in cutting the deficit further, the country could actually run a budget surplus in 1987, after correcting for inflation.

By focusing on the budget deficit, we also miss two policy changes that were fiscally very conservative. The first is the 1983 Social Security legislation, which cut future benefits. The change was the fiscal equivalent of running a \$1 trillion surplus in 1983, but that didn't show up in the official deficit figures. In effect, the 1983 law took away most of the fiscal stimulus of the Reagan tax cuts of the 1980s. If Social Security liabilities are added in total government debt actually would have declined slightly since 1980.

The second thing missed by the deficit numbers was the effect of the greater emphasis on investment incentives in the 1981 tax law. The incentives made new investment relatively cheap and lowered the value of existing assets. In effect, the change hurt older people, who owned existing assets, and helped the young, who could take advantage of the enhanced tax incentives to buy new assets more cheaply. This highly conservative policy, which was reversed in 1986, produced the equivalent of roughly \$300 billion in added revenue in 1981.

Taking account of the changes in Social Security and the tax laws leads to a startling conclusion: Fiscal policy was fairly tight throughout the years 1981-86; much tighter than in the 1970s, when the liabilities of Social Security more than doubled.

We should also think about fiscal policy in light of the stock market crash. In the last month, older investors, who hold a disproportionate share of securities, have lost almost \$1 trillion. Their loss, however, is a gain for the young, who get to buy up the same physical assets at lower prices. This "intergenerational transfer" acts like a tax increase, soaking older people so that the young can enjoy the benefits at a later date. Thus, in terms of fiscal policy, the \$1 trillion market decline has achieved the equivalent of five years of \$200 billion fiscal surpluses.

What about the other debt bugaboo, the trade deficit? Yes, the United States is running a large trade deficit. But no, it is not in any real sense a "debtor nation." Total (private plus government) wealth is roughly \$15 trillion. Of this \$15 trillion, less than 2 percent is owed by foreigners, after factoring out American ownership of foreign assets.

Contrary to conventional wisdom, foreigners do not own 2 per-

cent of U.S. wealth because the country borrowed from them to go on a consumption orgy. Foreigners own 2 percent of U.S. wealth because they decided the United States was a good place to plant their savings. The United States has a lot of wealth to eat up before it needs to borrow from foreigners to consume.

America is a good place to invest, and it is quite natural that international investment is returning after more than four decades. This perfectly normal process may continue for years; recall that the United States ran trade deficits throughout most of the last century, to the nation's great benefit.

What is the best policy course? Rather than trying to manage the dollar, which may not be possible in any event, the government should aim at avoiding a recession, which is a much bigger worry than a moderate increase in inflation. To this end, the Federal Reserve Board should expand the money supply moderately, to lower short-term interest rates.

Americans need not be frightened by the silly notion that a falling dollar will drive away all foreign investment, bringing on a currency crisis as foreigners try to withdraw their money en masse. In fact, that divestment already occurred, with the drop in the stock market and last week's drop in the dollar. This is the day after, not the day before, and it's time to pick up the pieces.

Deficit hysteria has become a dangerous national pastime. Fixing on these arbitrary numbers could lead to irrationally tight fiscal policies and damaging trade restrictions. The United States needs to consider more meaningful measures of fiscal policy, and to drop its obsession with official deficit numbers.

The writer is chairman of the economics department at Boston University and research associate of the National Bureau of Economic Research. He contributed this to The New York Times.

## 100, 75 AND 50 YEARS AGO

### 1887: Protecting Balfour

BIRMINGHAM, England — Remarkable steps are being taken to protect Arthur James Balfour, the Irish Secretary, during his visit to Birmingham tomorrow (Nov. 4). A body guard of young conservatives is being formed to line the streets, from the station to the town hall, and already over 2,000 applications for enrollment have been received. The detectives say they have no information of any dynamites being in the town.

### 1912: Bulgaria's Fever

PARIS — [The Herald says:] With the Bulgarian army almost at the gates of Constantinople and all reports utterly routed by the intervention foreshadowed by the Powers appears to be at hand. But with Tsar Ferdinand's army flushed with victory and determined to see through the task it set itself, the question arises: Will mediation be accepted?

ed? If the semi-official organ of the Bulgarian Government, the Mir, is to be taken as truly reflecting national opinion, Bulgaria is no longer disposed to place the settlement of her claims in the hands of a third party.

### 1937: Far East Talks

BRUSSELS — The Nine-Power Conference on the Far East, which opened here [on Nov. 3], split into three groups. The first is the democratic bloc, America, Great Britain and France, which lined up for the restoration of peace between Japan and China. The second group, China, backed by Soviet Russia, declared peace impossible so long as Japanese aggression persisted. The third, Italy — isolated in this conference, but obviously the mouthpiece of the two other dictator countries, Japan and Germany — declared that it was Chinese to get what terms they could from the Japanese. The plan of extending another invitation to Japan to attend is still being considered.

مكتبة النخيل



## OPINION

## The New Crop of Journalists Is Eager, Open and Realistic

By Flora Lewis

COLUMBIA, Missouri — Naturally, there was a lot of talk about the role of the press and its responsibilities during the annual Journalism Week at the University of Missouri's School of Journalism. It is the oldest school of its kind, founded in 1906, and proud of its contribution to professionalism.

To judge by the questions they asked an assortment of visitors, the students believed the image of a new generation's single-minded march to yuppieism. They were sensitive, informed and showed concern about being good citizens as well as getting good jobs.

In fact, several complained privately that they were not being taught enough about the past and the world outside their comfort zone. For them, the Vietnam War is already history, but they said it is skipped over with a bare mention in their courses. They wanted deeper probing into how and why it happened, what went wrong, what to watch out for as the nation moves ahead.

They criticized what they considered excessive American inwardness, self-congratulation, ignorance of other countries. One said a teacher told the class that only a democracy can have a free press and that only America meets the standard. The implication was that no other country is fully democratic because no other country has precisely the same constitutional system as the United States.

She was angered by such nonsense. She knew better. But when the talk turned to defining democracy, it was clear that that subject had been skipped over, too. The

students had not been practiced in articulating the notion, and they mumbled that it had been left so vague for them.

A few years ago, a 12-year-old in Florida told me he had learned in school that it was wrong to call the United States democratic because it is a republic. He had no inkling of the difference between the principle of a government and the selection of its titular head.

The Missouri college students were appalled to hear about it, but not really surprised. They were disdainful at what they considered most Americans' lack of knowledge about such basics.

They wanted to be journalists because they were seriously interested in public affairs and in providing the information a country needs to run itself and to make its society function satisfactorily. They wanted to travel and to learn and to know people different from themselves, not just to shine in television lights.

They did not imagine they were going to change the world, fix all its flaws and save it from perdition. They did not even bother with the questions I often get from earnest do-gooders, such as "What should the press do to prevent war? What should the press do to assure peace? To save the environment? To eradicate poverty?" As if the press makes the world's decisions.

But they said they felt they could contribute by digging out and telling the truth as best it can be found. "I think I can make a difference," said one student who clearly wanted to.

They were worried about politics — no



mention of the stock market — and particularly about choosing a president. They were sophisticated about how television can conceal and distort as well as reveal the essence of a candidate as he goes about manufacturing an image. They wondered how they could find out the telling details of a man's relations with his staff, the kind of people he listens to, the way he conceives of a politician's duty, which give much more insight into how he is likely to wield power and bear responsibility than do his campaign talks.

That indeed, they thought, is an obligation of the press, all the more in the age of high-tech public relations hype. They do not like being fooled and they do not want to take part in the fooling. They want to be told, and they want to tell, straightforwardly.

These were only a few students, on one campus, but they did seem to represent their classmates and their peers. They were optimistic but not dreamy, eager to get on and turn their hands to work they can consider useful and interesting. There has been much talking about "the closing of American minds," but there was no

sign of it here. If anything they were asking for more, not less substance in their education, and the opportunities they talked about were for responsibility and exertion, not self-indulgence.

This is a good sign when the mood seems gloomy and fearful, uncertain about the economy, fretting that a canny Russian leader is about to pull a fast one on a naive, trustful America, irritated that the world fails to see the United States through American eyes. The new crop looks fine, able and realistic.

The New York Times

## Jim Brady's Painful Saga: There Can Be No Better Gift

By David S. Broder

WASHINGTON — For the last six and one-half years, the most inspiring story in Washington has been that of the struggle of the White House press secretary, Jim Brady, to recover from the near-fatal head wounds he received during the attempt by John Hinckley Jr. to assassinate President Ronald Reagan in March 1981. Now this story has been given the full-scale treatment it deserves in the book "Thumbs Up" by Mollie Dickenson, just published by William Morrow & Co.

It is a book that makes you weep, for pain and for joy, along with two of the

When he beat the 10-1 odds against his even surviving through the surgery, and when he showed so quickly that he retained vital motor and mental skills, false hopes of a quick, complete recovery were raised. Two years after the shooting, Jim, seriously depressed, sobbed out his frustration to Dr. Koberne. The surgeon, who had grown immensely fond of this patient, decided that it was time for "tough love." He told Jim: "You're shot in the brain. You're never going to be as good as you were. You've just got to be tough. You've just got to be tough."

Jim has been tough. And in a different way — which this book describes but does not romanticize — Sarah has demonstrated at least equal strength of character. As it is recounted how the Bradys have struggled to come to terms with the reality that "the had permanently entered the world of the disabled," one key is their ability to turn their personal plight into a lesson for others.

Jim Brady has become a counselor, role model and inspiration to other patients in his continuing program of physical therapy. And Sarah Brady has become a national spokeswoman for the fight to control access to the kind of handguns that Hinckley used against her husband and the president.

The Brady saga is not finished. He continues in therapy, which now includes horseback riding, and his physical mobility outside the wheelchair continues to improve. So does his endurance and his mental agility. Jim and Sarah Brady have become welcome regulars on the Washington social scene. At an autographing party for "Thumbs Up" last week, he had a word of personal greeting for everyone in line — and a joke.

With Jim Brady, you keep coming back to the sense of humor. Before the shooting, he delighted equally in quick one-liners and in complex tales of improbable romance and adventure, often involving mythic animals. Since the shooting, the penchant for raunchy and/or ridiculous animal tales is just as strong. "You've got to persevere," he told an interviewer last year. "Persevere, and keep your sense of humor. They couldn't shoot that away."

"Thumbs Up" is not specifically a Christmas book, or a self-help book, or an inspirational tome. It is a professionally written, remarkably unsentimental report on how two people have drawn the strength they needed from doctors, nurses, therapists, family members and friends — but most of all from each other and from themselves — to deal with the calamity that struck them and permanently altered their lives.

I can't think of a better Christmas present for anyone who is facing troubles, or someone who is heedless of the blessings in his own life.

The Washington Post

## LETTERS TO THE EDITOR

## Paying for NATO: The Answer Is to Invest More in Peace

Regarding "Burt's Right on One Thing: Allies Must Pay More" (Oct. 14):

Representative Patricia Schroeder's exchange with Ambassador Richard Burt on U.S. and West European financial and troop commitments to NATO was interesting in a number of ways.

I found especially pertinent her comment on West Germany using its Deutsche marks for research and development of consumer products rather than defense. Other countries where military spending is modest (compared with the United States) have built impressive standards of living while America has been busy perfecting the Trident-2 missile and the MX. The result is that Sweden, Denmark, Finland, West Germany and Japan have, despite their social problems, far more livable societies today than does the United States. Is it much consolation that America has the fanciest weapons?

Mrs. Schroeder's solution is that the U.S. allies in Europe should shoulder more of the financial and troop burdens of NATO. But this runs against the tide

of public opinion in Europe. In both the West and East blocs there has been a swelling of peace sentiment, and high hopes that a successful meeting between Ronald Reagan and Mikhail Gorbachev will result in the elimination of two classes of nuclear missiles from Europe. A successful summit meeting could be a step toward solving the problems Mrs. Schroeder addresses. A U.S.-Soviet treaty would improve the political climate in Europe; "enhanced deterrence" could be replaced by enhanced East-West mutual confidence. Then, rather than arguing with allies about who should pay more to maintain NATO, we can together explore ways to reduce both NATO and Warsaw Pact forces in a way that would serve common security.

ROB PRINCE, Helsinki.

## Mistaking Cause and Effect

Robert Eisner's contention that the recent market downturn is due to high

interest rates and not to the deficit (HT, Oct. 26) reflects a distressing incursion of ideology into the American Economic Association. Mr. Eisner conveniently forgets that high real interest rates are due to the deficit. His hypocritical confusion of cause and effect reminds us of a certain president's being a proponent of a balanced budget amendment and then proceeding to parlay short-term growth into votes and long-term financial imbalance. We need more honesty and courage, and less propaganda. I miss Paul Volcker.

ALAN SITKIN, Zurich.

## Delors Told the Truth

Regarding the report "West Rebukes Delors After a Costly Gaffe" (Oct. 30):

Of course Jacques Delors, president of the European Commission, was right, and of course he knows exactly what the Americans are thinking: Treasury Secretary James Baker wants the dollar down and wants us — Europe and Japan — to pay for the American

deficit. So far the U.S. government has done nothing to fight its own problems. Instead, it lets others do it.

G. VAN HEEMST, Putte, Netherlands.

## Americans in Vietnam

F.F. Clairmonte's comments on U.S.-Vietnamese relations recall the latent anti-Americanism that was common among some members of the International Commission for Supervision and Control of Vietnam and Laos in Saigon in the 1950s. ("It Was Hardly a Partnership," Letters, Oct. 19.)

Having served as a U.S. Foreign Service officer in Vietnam before, during and after Mr. Clairmonte's experience, and having spent considerable time in the field with Vietnamese troops during the French Indochina war and the U.S. involvement, I find his attempt to attach a racist label to all U.S. advisers unacceptable. His allegation that Indian members of the ICSC, and the French, were victims of American racism is ludicrous.

The Indian army officers of the ICSC

were hardly the type to suffer "a whiplash of humiliation" from any quarter, and the French in Vietnam at that time, military and civilians, spent more time sniping verbally at the "Amerloques" than worrying about their own bruised egos.

True, some U.S. advisers never did understand Vietnam or the Vietnamese. But for each adviser in that category there were many others who lived, worked, fought and often died with their Vietnamese counterparts.

HOWARD R. SIMPSON, Cork, Ireland.

## Stranger Than Fiction

Mario Cuomo sleeps with a baseball bat. Everybody debates the pros and cons of Patricia Schroeder's crying, Vice President George Bush jokes about American workers, comparing them to the Russians. The news reports about the U.S. presidential race are wackier than an Art Buchwald column. It is a clear case of life imitating Art.

RICK BERGE, Vienna.

**An airline without a First Class lacks sophistication.**

**An airline without an Economy Class lacks flexibility.**

That's why Swissair offers both, as well as a special Business Class for business travelers. Three classes in all. Not only long distance, but also throughout Europe. At a time when practically every other airline is trying to cut costs by adopting a two-class system on their European routes. So even on the shortest Swissair flight, you can fly just the way you want. And a choice like that is sophisticated indeed.

**swissair**











	Vol.	High	Low	Last	Chg.
TenAir	7199	14	12 1/2	13 1/2	+ 1/2
American	4856	36 1/2	26 1/2	38 1/2	+ 1 1/2
BAT	4673	7 3/4	7 1/4	7 1/4	+ 1/4
Ech g s	4414	20	18 1/4	19 1/4	+ 1/4
Womb B	3771	8 1/4	7 1/4	7 1/4	+ 1/4
LorTel	324	11 1/2	11 1/4	11 1/4	+ 1/4
Time	2215	7	6 3/4	6 3/4	+ 1/4
NY Time	2123	31 1/2	30	30 1/2	+ 1/2
Telephon	1896	4	3 1/2	3 1/2	+ 1/4
ProCom	1798	11 1/4	10 1/2	10 1/2	+ 1/4
Fruit, n	1722	4 1/4	4 1/4	4 1/4	+ 1/4
FASPR	1536	7 1/2	7 1/4	7 1/4	+ 1/4
ComCorr	1458	18 1/2	15 1/2	16 1/2	+ 1 1/2
Worl d n	1413	16 1/4	15 1/4	16 1/4	+ 1/4

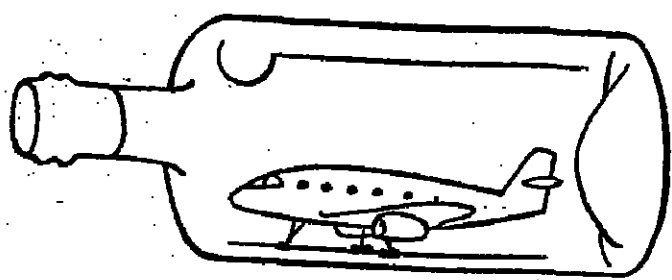
High	Low	Close	Ch'ge
261.78	252.59	255.49	-6.24

WHICH C

Renault Clio 1.6i 16V 115CV

(Continued on next left-hand page)





# THE WORLD OF DUTY FREE

Shopping



## Will Europe's Loss Be the World's Gain?

**D**UTY free existed in a twilight world, tolerated by customs authorities as it developed into an \$8 billion industry. In Europe it needed only two directives to rationalize the business. One in particular, the seventh, would have given it legal acceptance.

In a shock move, virtually a year ago to the day, the European Commission advised the European Council that it was withdrawing this directive.

The confidence shown at last year's Tax Free World Exhibition turned to horror as the implications of this decision sunk in. After all, Europe accounts for some 46 percent of the world's duty free trade, a good half of which is transacted between EEC residents.

The EEC has set itself the task of eliminating internal economic frontiers by 1992. This arbitrary date is already raising problems in the drive to allow the freer movement of people, goods and money around the twelve member countries. For instance, more than 130 market opening schemes should have been approved last year, but are still under negotiation.

The decisions required are contained in well-intentioned memoranda rather than formalized legislation or draft directives. Committee discussion delays matters while common agreement is sought. The industry is seizing its opportunity to create a strong political and economic lobby while time remains.

Philippe Harron, currently on secondment as director of the International Civil Airports Association European Community Bureau from the British Airports Authority, has been the prime lobbyist at the EEC and industry coordinator the past five years. His members are going to be among the hardest hit, firstly by the loss of revenue from duty free sales and secondly by the cost of restructuring their airports to restrict sales to EEC travelers while allowing them to non-EEC residents.

Harron's lobbying platform is powerful and clear. He argues that duty free revenues keep fares down. Without them the EEC itself calculates that sea ferry fares would rise by 30 percent and air fares by 20 percent.

There is no denying that

duty free is popular among international travelers, who tend to regard it as a right and recognize that it gives good value for money. But, equally importantly, the business provides jobs for some 250,000 people and promotes European exports by providing a high quality shop window to the world's travelers.

A further consideration, it discourages minor but cumulative smuggling by allowing open purchase. And it does no harm to national traders as the reduced prices allow travelers to pamper themselves with goods that they might otherwise be unable to afford.

Nor does it affect aircraft safety. As Britain's aviation minister, Michael Spicer, MP, commented in reply to a parliamentary question: "My chief inspector of accidents

has advised that there is no evidence that the carriage of alcohol in aircraft passenger cabins has jeopardized survival of any survivable aircraft accident."

In Harron's view, duty free facilities should remain until the last customs officer in the EEC has been withdrawn.

At the time of their privatization, Sir Norman Payne, chairman of the British Airports Authority, was asked if the termination of duty free to EEC residents would adversely affect the company. He expressed the view that the problem could probably be solved by swift diversification elsewhere and the raising of landing charges.

In Britain the industry has gathered itself under the title of The Duty Free Council and

the slogan "Value Duty Free." This council under the chairmanship of Peter Rees QC, now a member of the House of Lords and past MP for the major English Channel port of Dover, has appointed a public relations company, Profile, to plan its campaign. Companies from all parts of the British duty free industry are providing the funds.

It is also hoped that their international trade association the International Confederation of Suppliers to Airlines Airports and Shipping (ICO-SAAS) will link Britain's actions with those of the duty free trade in other EEC countries.

Meanwhile, the Europe against Cancer campaign is determined to eliminate the sale of tobacco in duty free

shops. If this movement gains the desired momentum it could achieve its objective before the 1992 date in the current climate for duty free abolition. With the current concerns for reducing alcoholism and alcohol abuse, liquor sales in duty free may follow fast behind. That would decimate Europe's duty free trade well before the Commission's target date.

Before 1992 a new European Parliament is due to be elected. Perhaps the newly elected representatives will take a more benign view of this whole matter. Whatever the outcome, even if Europeans must suffer the loss of their treasured duty free, the rest of the world's travelers will still be able to make purchases as they depart from the continent.

## Today's \$8 Billion Market

**F**ROM virtually nothing to \$8 billion in something over thirty years is not bad by any industry's standards. Originally based on an old maritime concession, duty free shopping as we know it today took off with the opening of a shop in Shannon Airport, Ireland in 1953.

Nor surprisingly, with the advent of the jumbo jet and the rapid growth of air traffic in the 1970s, the business reflects the way that the mass of people travel.

The nature of products sold and their relative importance has shifted somewhat over recent years. As greater diversity of products has been accepted for sale in the larger areas made available by airport operators to this highly profitable business, so the core products of tobacco and liquor have given way to the influx of fragrances, electronics, fashion, luggage and other products.

There are clear developments toward selling goods designed especially for easy and light transport and use, items such as liquor gift packs in easy-to-carry cartons, toiletry packs containing a selection of small bottles or a collection

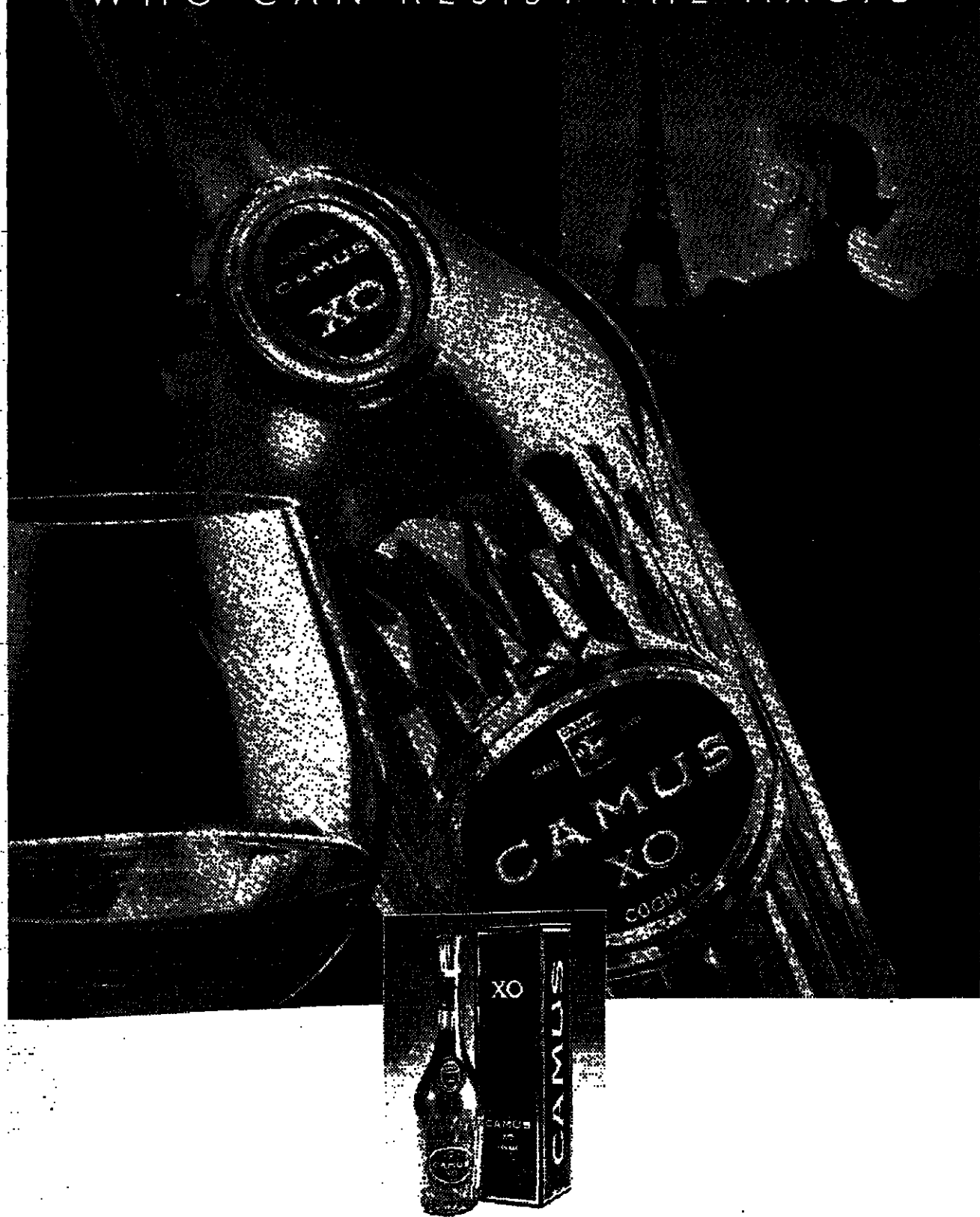
of miniaturized clothes iron, hair dryer and shaver, all in a special travel pouch.

World ferry traffic is mainly concentrated in certain areas such as the English Channel, the North Sea and the Baltic, where a very large trade is conducted between the Scandinavian countries. Because of the frequency of travel between its closely located countries, Europe has dominated the world's duty free trade. This is why the possible elimination of duties and taxes between member countries poses such a threat to this significant industry.

There is some contention as to whether duty free offers a real, tangible benefit. While duty or tax is deducted, the price is often considerably raised. Yet a typical demand made by a duty free franchiser is that prices be 20 percent below those in local cities.

The benefits, when all is said and done, depend on the nationality of the shopper. Buying whisky in Heathrow will certainly be advantageous for a Scandinavian or Japanese. However, since business expenses or holiday money is usually used for the purchase, caution is not necessarily the major concern.

WHO CAN RESIST THE MAGIC



Sensuously Smooth. Mysteriously Mellow. Gloriously Golden. Who can resist the magic of Camus XO Cognac?

C'EST FANTASTIQUE

Goldpfeil. This traditional name stands for highest quality all over the world. Our reputation began in Germany as early as 1856 when Ludwig Krumm began manufacturing cleverly designed and beautifully made purses and wallets. Today, connoisseurs of leather in more than 50 countries appreciate the wide range of Goldpfeil products which include luggage and other travel items, handbags, business accessories and specially designed gifts. Goldpfeil - when only the very best will do. We are exhibiting at the Tax Free World Exhibition in Cannes in the "Méditerranée Village" stand N 14.



Enquiries: Goldpfeil Ludwig Krumm AG, P.O. Box 100662, Kaiserstrasse 39-49, D-6050 Offenbach, W. Germany, Telephone: (69) 80 500, Telex: 4152 880

PARIS LONDON FRANKFURT MUNICH  
HAMBURG MIAMI MEXICO CITY SINGAPORE  
TOKYO HONGKONG TAIPEI MELBOURNE

GOLDPFEIL





## DUTY FREE SPIRITS

THE origins of today's booming duty free trade can be traced back to the liquor concessions made to sailors in international waters hundreds of years ago. Much later, a naval commander, Alan Villiers,

was heard to say, "Only fools and passengers drink at sea." Today's passengers — whether traveling by land, sea or air — still consume a great deal. The choice of drinks is dazzling and the gondolas of the duty free shops are laden with

all types and brands from which to choose. Here is a brief guide to what to look out for as you travel around the world. Whisky has a particular attraction for the duty free shopper with the choice of blended

or single malts providing a variety of tastes to suit every preference. A name well known and developing strong duty free sales is William Lawson's from the little town of Banff in Scotland. Here they have their own distillery, the MacDuff, which produces much of the malt whisky used for blending. More particularly, it produces the distinctive Glen Deveron single malt, which is exported around the world. Named after the nearby stream that provides the water for the distillery it is matured to both 5 years and 12 years to give its smooth, distinctive taste. These popular malts now hold the number two sales position.

Lawson's Finest Blend Scotch Whisky is another firm favorite with scotch drinkers, particularly in Europe, and contributes significantly to some 7.5 million bottles bearing the William Lawson's name that are sold worldwide.

One of the most unusual single malts to try is Isle of Jura. Its distinctive waisted bottle contains a 10-year-old whisky of remarkable character: an island malt with a highland flavor. Isle of Jura is the only malt whisky that bears the name of its place of origin.

The House of Camus, noted for its fine quality cognacs and Chabot armagnacs, is unique in that its brands have been predominantly built and established in the duty free world.

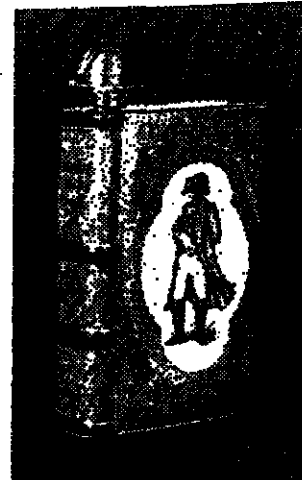
Today Camus offers a range of distinctive cognacs to de-

tics available. The main seller though, by far, is the popular Camus Napoleon in a gold and red box.

Gift appeal is a big feature of the Camus range so note their porcelain 'book' presentations and the Baccarat 2000 decanter too if you want to flatter a friend — or yourself.

Armagnac, that distinctive drink still only known and appreciated by truly knowledgeable drinkers, is well represented in duty free by Chabot Extra. Its unusual, eight-sided bottle, based on a traditional flask design, will enhance any drinks cupboard.

The steady growth of white spirits has meant burgeoning sales for vodka. In second from pole position and 'trying harder' every day is Finlandia, vodka of Finland, in its highly individual 'cracked ice' bottle. At the Tax Free World Exhibition the new 40 oz. (1.14 liter) bottle is being launched



the Adriatic coast of Yugoslavia. For a cool, clean drink there is nothing to match this delightful, ice clear liqueur.

Britain's noted Beehive Gin, produced in the heart of London, has brought its owners, James Burroughs, the Queen's Award for Export Achievement five times. The only gin to achieve this distinction, it is sold in over 170 countries around the world, and long ago passed the ultimate test of the American martini to make its biggest mark in the U.S. and Canada.

For the international traveler this very individual gin can be found in virtually every duty free outlet.

For those people passing through Gatwick airport there is an attractive promotion going on there that is well worth the £24.95 being asked. A specially produced 2 liter bottle of Beehive Gin is presented, wrapped in a high quality towel and placed in a tough nylon sports bag.

For a really different version of a well tried drink, an unusual vodka from Germany is well worth trying. The family Gorbachov, fleeing Russia after the October Revolution, established its distillery in 1921 to supply its own brand of vodka for the Russian colony that had settled in Berlin.

Now produced by Henkell & Sohnlein of Wiesbaden, it still uses the same special and jealously guarded recipe.

The bottle's unusual top is reminiscent of the domes of the buildings around Moscow's Red Square. Try drinking this vodka ice cold by itself or on any occasion with any food. Its clean, aroma free taste will refresh the most jaded palate.

Aimed specifically at international travelers and duty free shoppers are promotions by leading Scotch whisky producers Ballantine's. Noted for their fine quality blended whiskies, this company has always been active in developing the duty free business for its products. Visitors to Scandinavia will find in Norway that Ballantine's is 'Brand of the Month' in duty free in November and this will be followed by a promotion of their aged qualities in December. Two leading airports will also feature special Ballantine's bars.

If you happen to be in Brazil look out for the special carrying case holding six 1 liter bottles of Ballantine's 12 years old and on sale at all duty free outlets. This case matches the stylish brown and gold livery of the 12 years old's carton.

For business travelers everywhere Ballantine's is making a bargain offer of savings up to £12 on their detailed Planner. Advantage can be taken of this over 20 percent saving at Europe's ten leading airports until April 1988. Ballantine's Scotch Whisky bottles will carry a leaflet giving full details and savings varying from £6 to £12 depending on whether you buy the 12 years or 17 years old blends. The leather bound Business Planner contains sections carrying dates, notes, general and travel information and a calculator.

## YOU CAN BUY A SAAB AT AN INTERNATIONAL PRICE.

If you are on international assignment or will soon be, you will be delighted to discover that you can purchase a prestigious new Saab under special conditions from Saab International and Diplomat Sales.

Post the completed coupon and we will send you a brochure on our International and Diplomat Sales programme and the Saab of your choice.

Better still, test drive a Saab at your nearest authorized Saab dealership and speak to a salesperson about buying an internationally priced Saab.

Please send me more information about the Saab International and Diplomat Sales program and the

☐ Saab 9000 series ☐ Saab 900 Turbo series ☐ Saab 900 series

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Country: \_\_\_\_\_

Phone: \_\_\_\_\_

Profession: \_\_\_\_\_

Company: \_\_\_\_\_

Country of final use: \_\_\_\_\_

Mail the coupon to Saab-Scania AB, Saab Car Division, International and Diplomat Sales, S-611 81 Nyköping, Sweden.

Telex 64018 SAABCAR S, Fax 46-185-68150.

Our wide range of personal electronic products will help you get ready for business — in more ways than you'd think. With our new electronic, rechargeable Philishave, for example, you'll always make a good start to the day. Whether you're at home or travelling.

Around an hour's recharging with the built-in charger is enough for about 2 weeks of carefree cordless shaving. And you can also connect it directly to any power supply from 100 to 240 volts, for charging or direct use.

Or if you need to make an instant note of your thoughts, there's nothing to beat the convenience of a Philips Pocket Memo.



# Philips, always ready for daily business.



The Philips Pocket Memo is probably today's simplest and most convenient means to increase your working efficiency. As well as being a very handy way to save time and ideas. After all, you speak seven times faster than you write.

A Philips Pocket Memo will improve your secretary's efficiency too, with useful features like Visual or Electronic Index Systems for instant identification of urgent messages. Philips Pocket Memos are part of a complete system that makes your working day much easier. And keeps you ready for business, wherever you are.

**Philips. The sure sign of innovation.**



**PHILIPS**

Products shown may vary, and may not be available in every country. Philips Corporate Marketing Communications, Eindhoven, the Netherlands



GOLDEN

Nine... Golden... brandy... Golden... brandy... Golden... brandy...

COINTREAU

OT... Cointreau... brandy... Cointreau... brandy... Cointreau... brandy...

TRAVELING

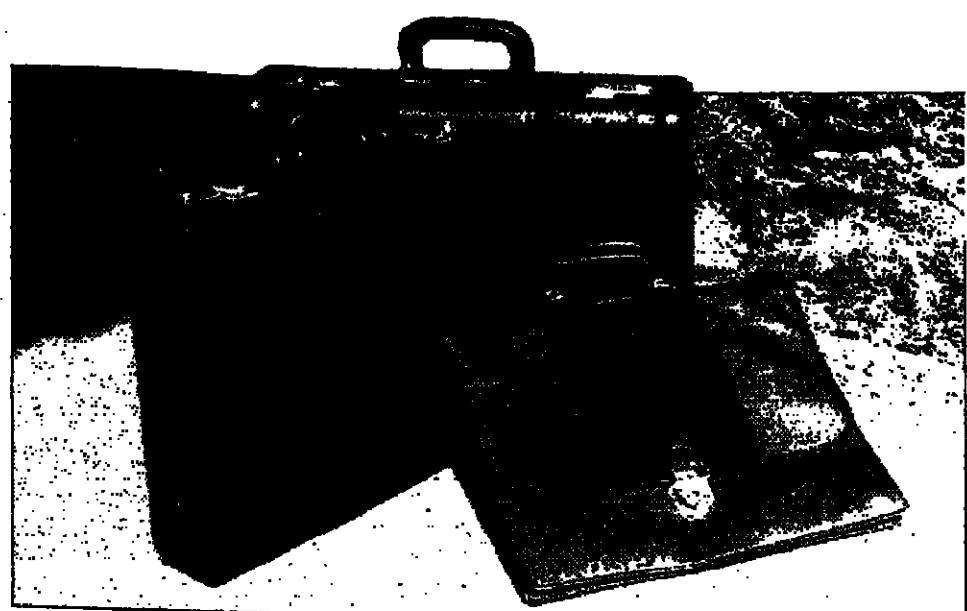
PHILIPS... traveling... Philips... traveling... Philips... traveling...

The flavour of an island in a single malt.



مكتبة النور





## GOLDEN ARROW ON TARGET

**I**N 1856 Ludwig Krumm, purse maker, founded the business known today as Goldpfeil. A century later this prestigious company, based in Offenbach, was expanding and international business represented 20 percent of its turnover. Today Goldpfeil has its own boutiques in cities such as Miami, Mexico City, Tokyo, Singapore, Hong Kong, Melbourne, Sydney and London.

Its products are available in virtually all major airports and expansion continues.

This up-to-the-minute company, symbolized by its upward pointing golden arrow, combines the use of novel high-tech materials with a staunch adherence to the traditional art of purse making in high quality leather.

The contrasts can be seen in the modern Image and Executive Lines. Especially suit-

able for the duty free shopper, however, are the Caracciola and Sport Collections. Caracciola has a ruggedly casual character inspired by the legendary German driving ace. A natural shrinking process results in leathers with a grained effect and subtle nuances of color. Sport epitomizes sporting elegance in the English style. Colors are a distinctive burgundy, mellow scotch or rich espresso and classic black.

## COINTREAU LAUNCH TAX FREE TRADERS

**H**OT news from the Tax Free World Exhibition in Cannes this week is the launch by the major drinks group Cointreau of Topline Tax Free Traders. This is a new, worldwide duty and tax free trading company operating autonomously within the Cointreau Group based on the first-hand experience of its German subsidiary Herman Joers. Says Pierre Cointreau, chairman of the board, "Topline currently operates in three areas — Germany, France and Benelux — and more will be added shortly."

Although Cointreau is noted for its wines and spirits, Topline will be handling a full range of duty and tax free products ranging from tobacco, fragrances, watches and electronic goods to jewelry and other fashion items. Manufacturers represented by Top-



Peter Brandsma.

line will have the full benefit of their experience and contacts in all branches of the duty free trade allied to their considerable marketing expertise. No competitive brands will be held in the portfolio. "Topline's independence," says Peter Brandsma, marketing coordinator, "will be a major benefit and our objec-

tive is optimum brand performance."

While several existing trading companies are to be found in the tax and duty free markets, most of them act as agents for some brands and wholesalers for others as well as being active in the retail area. Hubert Miller, managing director of Cointreau, comments: "We believe that this diversity of operation has a built-in bias that can conflict with optimum brand performance. Topline will concentrate solely on marketing the brands of our principals."

## TRAVELING LIGHT

**P**HILIPS certainly has the needs of travelers in mind. Look at their Ladyshaver range for instance. With a convenient travel pouch they come packed in a distinctive black and white box and make an ideal gift. Other Ladyshave models offer deluxe cord and battery operated versions.

The Philips Cosmetic Set pampers the travel weary body with its eight additional attachments. Freed of the need for cords or batteries, the Philips Combi gas powered hair curler and styling brush is ready to use in a minute and perfectly safe to handle.

For men, the Philipsave electronic rechargeable shaver with its double action shaving system is recognized as one of the most powerful on the market. Philips also produces a folding hair dryer. With its lightweight pouch it makes an ideal travel companion.

**The flavour of an island in a single malt.**



**Isle of Jura SINGLE MALT SCOTCH WHISKY**

## Legends from Russia

ONLY VODKA FROM RUSSIA IS GENUINE RUSSIAN VODKA



## THE WORLD OF DUTY FREE

### Oasis in the Gulf

**T**URNOVER this year is expected to exceed \$45 million, an increase of more than 125 percent over the first full year of operation in 1986. This may not put Dubai at the top of the big league tax free operators but it is the way in which the targets have been achieved — the outlets themselves, presentation, picked staff and some of the lowest prices in the world — that has had an impact on other tax free operations.

Dubai Airport is an oasis among tax free shops. "Above all we have tried to make it a pleasant place for the air traveler to browse — and spend his, or her, money," says general manager Colm McLoughlin who is sometimes critical of the hurly-burly and so-called cheaper prices at some tax free operations.

Dubai itself, which is one of the United Arab Emirates, is virtually a tax free city as practically no duty is levied on imports, which are the basis of its entrepot trade up and down the Gulf. Against only 4 percent duty, McLoughlin has had to make his prices competitive with the local market where traditional haggling, particularly in the gold souk, is still common.

Gold is the top selling item, representing 19 percent of turnover followed by liquor and cigarettes accounting for a combined 24 percent. These are followed by perfumes, electronics and confectionery.

Dubai's rapid takeoff in the tax free world (it has three major awards behind it and McLoughlin, a winner himself last year, is one of the judges this year) came about by a

chance transit stop in Shannon by an Arab.

Mr. Mohd-din Binhend, director general of Dubai's Department of Civil Aviation, was so impressed by what he saw that he contracted Aer Rianta to do for Dubai what they had done in Shannon. McLoughlin and two of his existing senior staff, John Sutcliffe and George Horan, known as the "Irish Trinity," were part of that original team.

With a staff of 300 they look after 26 shopping outlets

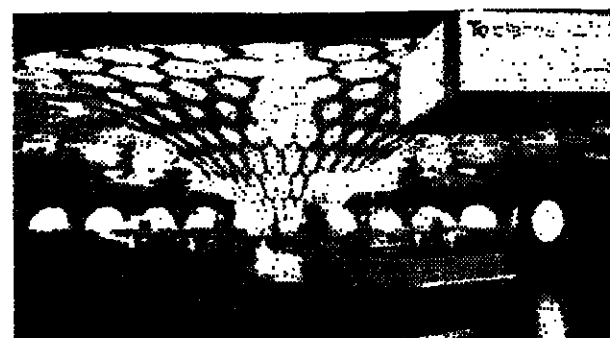


Mohammed A. Mounib.

on the airside and three on the landside, including a newly opened arrivals duty-free shop. Other developments include a cigar room in the liquor shop and a converted ladies fashion shop selling accessories.

Concentrating on value and service are top priorities in Dubai's strategic duty free policy. Says John Sutcliffe, deputy general manager: "By far the most serious problem facing the industry worldwide now is the image it has, particularly over pricing policies. Traditional duty free products — liquor, tobacco and perfumes — now face competitively priced downtown outlets."

"Price is only one of many



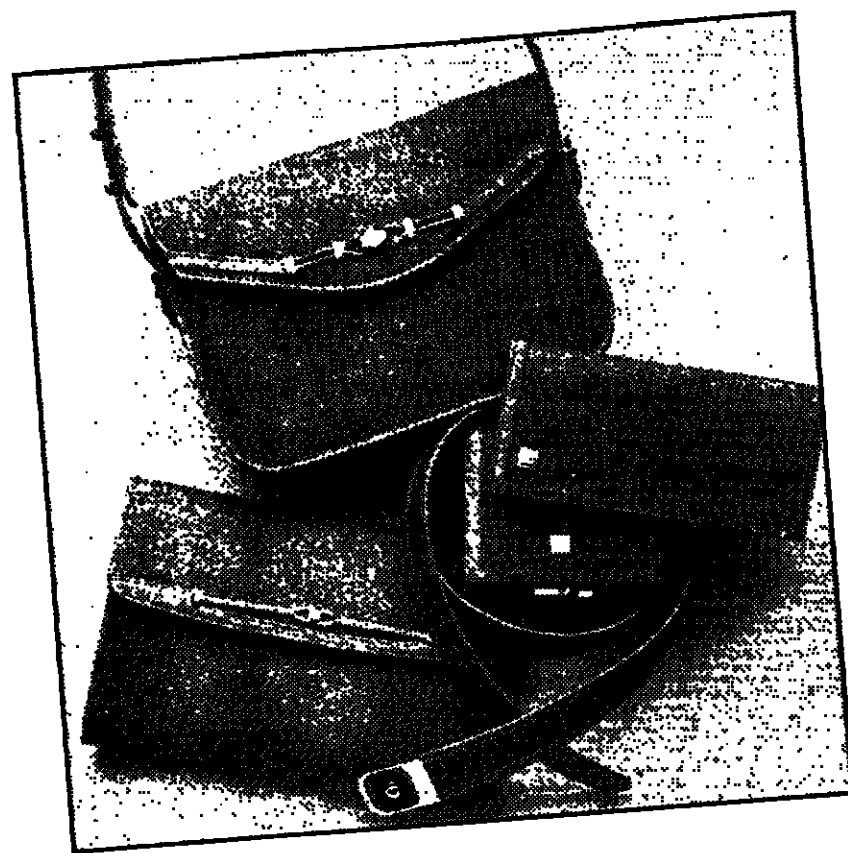
Abu Dhabi airport.

considerations. Equally important are choice, well presented displays, shop facilities and, of

course, service," says Sutcliffe. "Service before profit" is also the aim of Mr. Moham-

med Mounib, operations manager of the Abu Dhabi duty free complex, where turnover in the first half of the year has already reached \$9.7 million. Electronics and cameras have displaced liquor as the best selling product category topped only by tobacco. Because of a wide variety of fragrances being offered in the perfume shops, sales have doubled this year and are expected to reach just under \$3 million by the end of December.

— Lee Voysey



## COMTESSE. THE HANDMADE PERFECTION.



## FOR THE CONNOISSEUR

**F**OUNDED in 1758, the House of Berentzen is firmly rooted in the Emsland district of Northern Germany where the distillation of grain spirits enjoys a rich tradition.

The product for which Berentzen is best known today is Appel. Germany's top exported spirits brand, this trend setter was launched in 1976 and immediately created a market of its own.

Drink it straight or try the Berentzen Paradise, a refreshing cocktail created by Gilbert



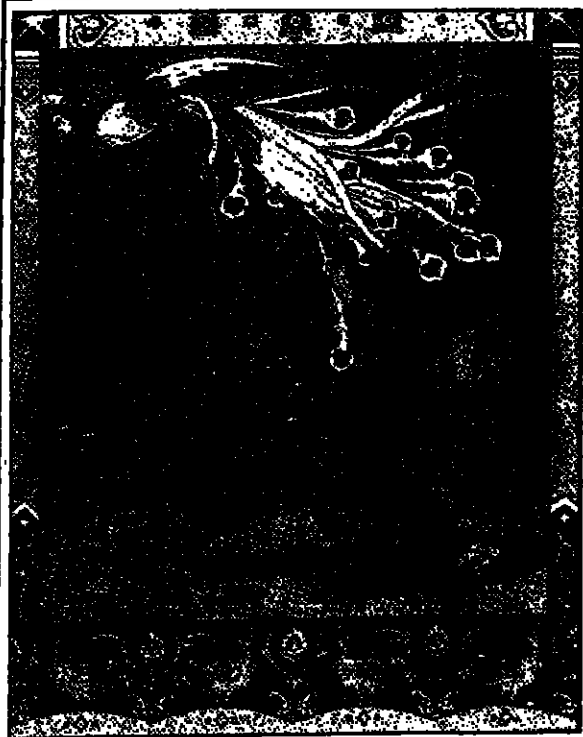
Gaillie of the Intercontinental Hotel in Geneva, by blending Berentzen Appel with vodka, fresh orange juice and just a little Campari.

### THE FIREBIRD

Half the night went by when suddenly the garden was lit up as if by sunshine.

Isarevich Ivan looked, and he saw the Firebird come flying up and perch in the apple-tree and peck at the golden apple.

He crept up quietly and caught the bird by the tail.

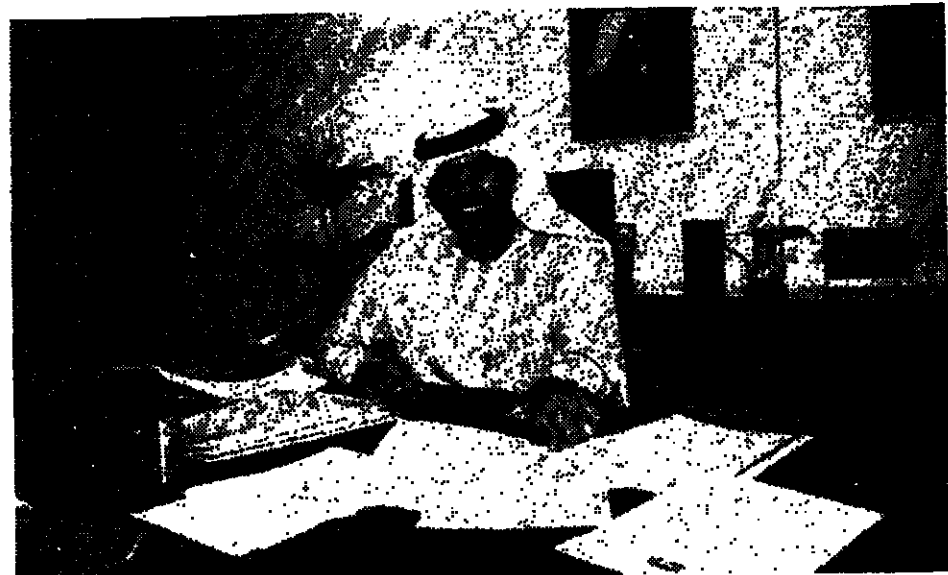


## HENKELL TROCKEN





## ADVERTISING SECTION



Mohi-Din Binhendi, Director General of Dubai's Department of Civil Aviation.

## Onshore Haven

LEGEND has it that the Ruler of Dubai, Sheikh Rashid bin Saeed Al Maktoum, out for a picnic one day in the mid 1970s, saw a line of ships on the horizon waiting to unload

their cargoes. "We must build a port — here!" he exclaimed, thrusting his stick into the ground at Jebel Ali. Five years ago the port was ready — but scarcely overused.

The largest man-made har-

bor in the world, it has berths for 67 ships alongside nearly ten miles of wharves on the edge of the Arabian Gulf.

Then in 1985 it was decided to turn the whole 7,500 acre site into a tax free zone, a kind of offshore base within the emirate. Anyone wanting to use the free zone is offered a wide-ranging package of tax incentives and other benefits from cheap electricity to duty-free exemptions on all imported goods and equipment.

Since the change in status to a fully fledged free zone, applications from companies wishing to set up manufacturing, assembly, or simply warehousing and distribution facilities, have been flowing in at a steady rate.

One of Jebel Ali's strengths is its strategic geographical location and its ability to serve a potential market area of more than one billion people.

This Advertising Section was written by Peter R. Wenham & Associates.

## THE WORLD OF DUTY FREE



Dubai duty free shopping complex.

Comments Ed Butler, recently appointed marketing director: "We have now assigned more than 130 leases covering everything from offices to factory premises. We are really optimistic, especially about the manufacturing side, as we are offering some unique benefits."

Some of the big names which have taken the plunge and moved into Jebel Ali include Arco, Black & Decker, Toyo Menka, McDermott and Union Carbide. There has been so much interest from the textile sector that a temporary "hold" has been put on any further applications.

Butler's view is that, with a \$2 billion investment in the port and its infrastructure, the FZA has got to get down to business and get things moving. It cannot afford administrative hangups for whatever reason. One of the principal attractions to foreign operators and joint venture partners is that because Jebel Ali is in effect an "offshore" situation the FZA takes care of all immigration issues and the sponsorship problems which are a peculiarity of doing business in that part of the Arab world.

Also within the industrial area are several capital intensive industries such as the Dugas processing plant, one of

the largest aluminum smelters in the region. Dugas also produces most of Dubai's fresh water from an associated desalination plant.

One of the newest developments is the combination of air-sea duty free cargo from



Gold boutique at Dubai International Airport.

Jebel Ali and the nearby international airport at Dubai. Many distributors and manufacturers from the Far East are

shipping consumer goods to Jebel Ali and then flying them air cargo for onward regional distribution. This cost effective solution can cut freight handling times by as much as one third.

— Lee Voysey

## The Ultimate in Fly/Drive

MOST diplomats already know what tourists and expatriates are now learning about tax free automobile purchases.

Special duty free prices for the finest makes of European automobiles, including Volvo, Saab, Mercedes-Benz, BMW, Audi, Volkswagen, Jaguar, Citroën and Fiat, can result in considerable savings. Increasingly, too, a network of duty free car dealers are offering top-of-the-line North American and Japanese models.

With a little advanced planning, a tourist can fly to Europe, visit either a car manufacturer offering duty free prices or a reputable dealer specializing in tax free shopping and drive off on vacation in the latest model. At the end of the tour, the tourist merely drops the new car off at the designated shipping center and, upon the new car's delivery in their home market, the duty free car buyer often finds that the savings on domestic taxes more than pays for the ultimate fly/drive vacation.

In many instances, purchases can be made on the spot. However, a two-month deposit can be expected for a particular model or a custom-made product. Hence, the need to order in advance for pickup on arrival in Europe. An expert plate issued in one country allows for unhindered travel through almost all of the Continent. Insurance covering the vacation period, usually in the form of an international green card, offers total coverage. In addition, to facilitate touring, including city and country maps, pamphlets detailing cultural events and information on international driving

are offered by auto dealers and manufacturers.

With a duty free purchase, the vehicle can be driven for twelve months in a country in which the customer does not reside. In some cases, this can be extended for an additional year.

Diplomats and expatriates returning home have long been the backbone of the duty free car industry. Many of Europe's tax free dealers have been serving the diplomatic/expatriate market for decades and have developed roadside service packages, technical compliance options, special insurance and licensing amenities, all of which helps to take the hassle out of international driving. In addition, some dealers supply special tires and engine protection for Third World motoring.

The amount you save buying a duty free car varies according to the country of registration and the level of purchase tax in those countries. For example, in most of Latin America, only diplomats can import a duty free car. North Americans save an average of 9 percent after all charges, while Europeans will save between 40 and 14 percent on local taxes if they qualify. In the Middle East and most Asian countries, savings of 25 percent can be expected.

A Common Market resident domiciled outside the European Community can purchase a duty-free car, have it shipped to his destination and bring it back to his home country as part of the household effects without having to pay any taxes. This aspect of duty free automobile purchasing is expected to be even more appealing when intra-community tariffs are amended by 1992.

A major factor in savings — besides local and national taxes — is the currency exchange rate, and duty free car sales volume reflects this. A European model that is base priced in Deutsche marks can be paid for in dollars at most duty free outlets at that day's exchange rates, so savings are very much dependent on the relative strength of the currency in which you are paying. Most dealers will help you select the most favorable currency prior to selling you a car.

The bottom line you arrive at should also take into account the considerable savings such a purchase can make when combined with a European vacation or visit. If you compare the price of buying a new top model car in your home country versus the duty free price abroad, and add the savings that your new car will roll up in the form of local tourist transportation between Denmark, France, Germany, Holland and the U.K., for example, then buying duty free becomes even more advantageous. Frequent travelers also know that the best way to get around Europe and get a first-hand view of its picturesque peoples and villages is not in a large tourist bus, but in one's own car — and at one's own pace.

The duty free car industry is growing and has taken on an importance for manufacturers that is unique. The dealers find themselves competing to some degree with each other and the manufacturers by offering competitive after-sales service and prices. However, as one dealer noted, the future outlook for duty free car buying is positive, because more people around the world are traveling outside of their countries and, consequently,

more people are becoming aware of the savings and availability of tax free purchasing.

The manufacturers themselves see duty free as deserving of special separate marketing efforts because — as in the duty free industry in general — the diplomats, expatriates and tourists who buy are becoming a key part of the upmarket banding of their products.

For further information, please write:

## GERMANY

ACS Automobil & Container Service, P.O. Box 100, D-6000 Frankfurt/M.

Auto Becker, Südkreuzstr. 130, D-4000 Düsseldorf 1.

BMW-Euler, Wögestr. 34-39, D-6000 Frankfurt/M. 50.

Merco Trade Wassenaarstr. 19, 8033 Haus/Munich.

Nasser Export GmbH, Flaimstr. 191, D-6000 Frankfurt/Main.

OCM GmbH, Tetschwegstr. 8, D-6000 Düsseldorf.

Tesco Germany, Seidenstr. 38, D-2800 Bremen.

## SWEDEN

Seab-Scania AB, Seab Car Division International & Diplomat Sales, 6-11 81 Nyköping.

Volvo Tourist & Diplomat Sales, S-405 08 Gothenburg.

## THE NETHERLANDS

Shipside B.V., Kruisweg 681, P.O. Box 430, 2130 AK Hoofddorp.

E.A.C., G. Deynmoeweg 1130A, The Hague 2366.

## DENMARK

DNA Motors A.S., 75 Hvidovrevej, DK 2650 Copenhagen.

Cars of Copenhagen, Voldstræde 55-57, 1500 Copenhagen C.

Bilhuset, Chr. Kjaer Auto Trading and Export Ltd., Grønnegavevej 6, DK-2700 Svendborg.

Saxo Tax Free Cars Int'l, Færgvej 42, Frederikssund/Copenhagen.

## TAX FREE CARS

world wide sales of BMW, Mercedes, Jaguar, Porsche, RR/Bentley, and all other makes. Competitive prices. Ask for price list for the models you are interested in.

DNA MOTORS A.S., 75 Hvidovrevej, DK 2650 Copenhagen. Tel. 451-471100. Telex 15034 Fax 1-470566

## SAVE ON

MERCEDES, BMW, PORSCHE, ITALIAN EXOTIC JEeps, ALL 4-WHEEL DRIVE MAKES. New and pre-owned. We speak the language of Tax Free Cars and Trucks. STOCK: BMW 750 E, M5 250d, JEEP CHEROKEE TURBOCHIESE. Call or write: Munich, Germany. Tel. 089/4465041. Telex: 522351. AMERICAN OWNED & OPERATED.

## AUTO SHIPPING

You buy your car "Tax Free". We deliver to you immediately. Shipping & Forwarding. Fast & Reliable. From anywhere at anytime through ACS Automobil & Container Service D-6000 Frankfurt/M. P.O. Box 100 Tel. (069) 733071 / Fax (069) 733071 Telex 416978 acs d

## Distinction

Rarely awarded, always treasured.



Ballantine's  
17 Years Old

George Ballantine & Co. Limited

## WELCOME TO NO-TAX LAND CONTACT US FOR FREE CATALOG

CARS OF COPENHAGEN, Voldstræde 55 - 57, 1500 Copenhagen C. DENMARK. Phone +45 1 377900. Fax +45 1 376209. Telex 19932 VINELA DK

BMW-EULER - Frankfurt's Top Address for used cars. Tested, maintained, reliable. Tax Free BMW & high quality foreign makes permanently on stock. BMW-Euler, Wögestr. 34-39, D-6000 Frankfurt/M. 50. Tel. (0) 69-530907. Mr. Mueller.

UNIQUE. The most interesting car dealer in the whole world! ready for immediate delivery more than 1000 (thousand) NEW & USED many of them exotic cars, like

Mercedes - BMW - Porsche. Import/Export telephone 02 11/3380276. Seidenstr. 38 D-2800 Bremen 1. AUTO BECKER

TRASCOS GERMANY. Mercedes Benz armored cars & stretched limousines from stock. Seidenstr. 38, D-2800 Bremen, tlx. 246524, fax 421630205, tel. (0) 421-633044.

Also used Mercedes & BMW available from stock. NASSAR Export GmbH, Mainstr. 191, D-6000 Frankfurt/Main. Tel. (0) 69-733061, Telex 414018 Fax: 7392 21.

OCEANWIDE MOTORS. Since 1972, experienced car trader for Mercedes, Porsche, BMW, and all US cars. We deliver "tax free" Europe & worldwide. Also demo and used cars. We arrange registration and conversion for import.

OCM GmbH, Tetschwegstr. 8, D-6000 Düsseldorf. Tel. (0) 211-434646, fax 8587374.

SHIP SIDE. Send me without any obligation, your latest catalog. Name, Address, City, Postal Code, Phone, Country, Telex.

SHIP SIDE. Ship your car tax free and save. At the same time, Shipside offers you a unique buy-back program. You can drive a brand new car for an amount much lower than the cost of a rental car.

SHIP SIDE. Ship your car tax free and save. At the same time, Shipside offers you a unique buy-back program. You can drive a brand new car for an amount much lower than the cost of a rental car.

SHIP SIDE. Ship your car tax free and save. At the same time, Shipside offers you a unique buy-back program. You can drive a brand new car for an amount much lower than the cost of a rental car.

SHIP SIDE. Ship your car tax free and save. At the same time, Shipside offers you a unique buy-back program. You can drive a brand new car for an amount much lower than the cost of a rental car.

SHIP SIDE. Ship your car tax free and save. At the same time, Shipside offers you a unique buy-back program. You can drive a brand new car for an amount much lower than the cost of a rental car.

SHIP SIDE. Ship your car tax free and save. At the same time, Shipside offers you a unique buy-back program. You can drive a brand new car for an amount much lower than the cost of a rental car.

SHIP SIDE. Ship your car tax free and save. At the same time, Shipside offers you a unique buy-back program. You can drive a brand new car for an amount much lower than the cost of a rental car.

SHIP SIDE. Ship your car tax free and save. At the same time, Shipside offers you a unique buy-back program. You can drive a brand new car for an amount much lower than the cost of a rental car.

## DUTY-FREE CAR SALES

EURO & US SPEC TAX FREE CARS. Shipping, insurance, 1130A. E.A.C., G. Deynmoeweg, 1130A. The Hague 2366 BX Holland. Tel. 31 70 559745. Telex 32330. Carphone Imports Inc., 2294 North Lynn Rd., Hatfield, PA 19440, U.S.A. Tel. 215 822 6852. Telex: 4971917.

LOOKING FOR A NEW CAR? Confused about regulations? Looking for Europe's best prices? We have all the answers. Super low insurance rates and Danish export plates valid 2 years. We give special advice so you can drive tax free at the lowest possible price with confidence. We will even buyback your car after 12 months for up to 50% of your purchase price. Take extra special deals on BMW, Peugeot, Citroën, Volvo, Saab - Japanese cars and even GIM US cars! If you need a new tax free car call Saxo Tax Free Cars Int'l +45 2 783200 Telex 15034 Fax 1-470566. Fax +45 1 376209 Copenhagen Denmark.

Also used Mercedes & BMW available from stock. NASSAR Export GmbH, Mainstr. 191, D-6000 Frankfurt/Main. Tel. (0) 69-733061, Telex 414018 Fax: 7392 21.

OCEANWIDE MOTORS. Since 1972, experienced car trader for Mercedes, Porsche, BMW, and all US cars. We deliver "tax free" Europe & worldwide. Also demo and used cars. We arrange registration and conversion for import.

OCM GmbH, Tetschwegstr. 8, D-6000 Düsseldorf. Tel. (0) 211-434646, fax 8587374.

SHIP SIDE. Send me without any obligation, your latest catalog. Name, Address, City, Postal Code, Phone, Country, Telex.

SHIP SIDE. Ship your car tax free and save. At the same time, Shipside offers you a unique buy-back program. You can drive a brand new car for an amount much lower than the cost of a rental car.

SHIP SIDE. Ship your car tax free and save. At the same time, Shipside offers you a unique buy-back program. You can drive a brand new car for an amount much lower than the cost of a rental car.

SHIP SIDE. Ship your car tax free and save. At the same time, Shipside offers you a unique buy-back program. You can drive a brand new car for an amount much lower than the cost of a rental car.

SHIP SIDE. Ship your car tax free and save. At the same time, Shipside offers you a unique buy-back program. You can drive a brand new car for an amount much lower than the cost of a rental car.

SHIP SIDE. Ship your car tax free and save. At the same time, Shipside offers you a unique buy-back program. You can drive a brand new car for an amount much lower than the cost of a rental car.

SHIP SIDE. Ship your car tax free and save. At the same time, Shipside offers you a unique buy-back program. You can drive a brand new car for an amount much lower than the cost of a rental car.

SHIP SIDE. Ship your car tax free and save. At the same time, Shipside offers you a unique buy-back program. You can drive a brand new car for an amount much lower than the cost of a rental car.

SHIP SIDE. Ship your car tax free and save. At the same time, Shipside offers you a unique buy-back program. You can drive a brand new car for an amount much lower than the cost of a rental car.

SHIP SIDE. Ship your car tax free and save. At the same time, Shipside offers you a unique buy-back program. You can drive a brand new car for an amount much lower than the cost of a rental car.

SHIP SIDE. Ship your car tax free and save. At the same time, Shipside offers you a unique buy-back program. You can drive a brand new car for an amount much lower than the cost of a rental car.

Panasonic Office Automation

WEDNESDAY, NOVEMBER 4

INTERNATIONAL STOCK

Foreigners Get Ca

On the Nordic Ex

By PER ISAKSSON

STOCKHOLM — The passage in

prompted foreign investors to se

shares on the Nordic stock ex

about whether foreign money w

the comment that foreigners who

the Finnish and Danish markets

alternative to withdrawing fun

foreign regulations prevented them

from

from

from

from

from

from

from

from

from

from

from

from

from

from

from

from

from

from

from

from

from

from

from

from

from

from

from

from

from

from

from

from

from

from

from











## BUSINESS ROUNDUP

## VW Says Net Rose 6.5% in 9 Months

**BONN** — Volkswagen AG on Monday reported a 6.5 percent rise in group net profit in the first nine months of 1987, but bankers say the government's plans to sell its 16 percent stake will also certainly be delayed because of the drop in the stock market.

One analyst in Frankfurt said banks there had planned for a Nov. 9 sell-off. But, he said, "The date has not been officially confirmed or canceled. I presume it will be put off until next year."

At short notice, VW canceled a company presentation for bankers in Frankfurt and Zurich that had been scheduled for Monday.

The presentation was expected to be an unofficial kick-off for the government's sale of its 16 percent shares, but neither the company, nor Dresdner Bank, the host of the presentation, had linked it to the privatization.

Since the stock market plunged, the automaker's shares have lost more than a quarter of their value, falling to 268.10 Deutsche marks (about \$155) at Tuesday's close in Frankfurt from 366 DM on Oct. 16.

Stephen Reimann, European motor analyst with UBS-Phillips & Drew in London, said, "It would be politically sensitive if the government were to sell at 270 marks."

The government's original intention was to sell its shares this year,

but the sell-off was provisionally put off until 1988 after disclosure in March of a 473 million DM loss through fraud at VW's foreign-exchange department.

However, Finance Minister Gerhard Stoltenberg said in September, before the stock prices fell, that the sale would probably go ahead this year after all because the situation at VW had stabilized.

VW's group net profit rose to 393 million DM in the first nine months from 369 million a year earlier, while parent company net rose 6 percent to 365 million DM from 344 million.

Group revenue rose 2.6 percent

to 38.39 billion DM from 37.4 billion.

Total car deliveries fell 1.3 percent to 2.03 million vehicles. A strong 13.7 percent rise to 697,000 at home contrasted with a 7.7 percent decline abroad to 1.34 million.

Share analysts said the nine-month results tallied with expectations. But one said, "In the current stock market environment, no-one will take any notice of these figures. In a normal situation they could have lifted the stock."

Mr. Reimann said he was expecting fairly flat results for the whole year, while others said they believed group net profit could rise to at least 600 million DM from 580 million DM in 1986.

Hans-Joachim Filz, with Bank in Liechtenstein (Frankfurt) GmbH, said he thought that the climate for automobile sales in Europe and at home would deteriorate next year.

"This will affect VW in particular," he said.

VW said sales had risen strongly at home and in Western Europe, but reported continuing problems in Latin America and the United States.

U.S. sales fell 15.4 percent in the first nine months, but this compared with a slump of more than 39 percent in the first quarter.

VW said problems in Latin America had been caused by price controls in Brazil and by a strike at its Mexican operations.

## Olympia &amp; York To Enter Talks With Santa Fe

**WASHINGTON** — Olympia & York Developments Ltd. said Tuesday that it had informed Santa Fe Southern Pacific Corp. that it was considering making an offer of at least \$63 a share for it, a bid that would value Santa Fe at about \$9.7 billion.

In a filing with the U.S. Securities and Exchange Commission, the Toronto-based Olympia & York said it was contacted Sunday by Santa Fe about proposals that would pay \$63 a share for the 93.1 percent of Santa Fe that it does not already hold.

Olympia & York said it had signed a confidentiality agreement with Santa Fe on Monday, granting it access to the information that was provided to Hensley Group Inc. Hensley has offered \$63 in cash and securities, or about \$8.3 billion, for the 85 percent of Santa Fe it does not already own.

Olympia & York said its talks may explore alternatives, including a merger, or a recapitalization or restructuring of Santa Fe.

## Dean Witter Hires 27 From Salomon

By Arthur Higbee  
International Herald Tribune

Dean Witter Reynolds Inc., in an effort to rebuild its municipal-bond operation, has hired 27 municipal-bond specialists, including two managing directors, from Salomon Brothers Inc. Salomon announced last month that it was abandoning the municipals business because of low profits and was laying off about 800 employees.

John M. Donovan and R. Fenn Putman, who had been managing directors in the municipal-finance department at Salomon Brothers, have been recruited by Dean Witter as executive vice presidents for municipal finance.

The New York Times reported that Dean Witter was moving to deepen its involvement in municipal finance at a time that the business has been racked by overcapacity and fewer new issues. This hostile environment has been cited for the departure from the field not only of Salomon but also of L.F. Rothschild Inc. and Continental Illinois National Bank & Trust Co. Smith Barney, Harris Upham & Co. is also curtailing its municipal-bond operation sharply.

Dean Witter has had only a minor presence in public finance since 1981, when many of the company's best public-finance personnel resigned after it was acquired by Sears, Roebuck & Co. Its public-finance unit is based in Atlanta,

and the group has wielded little clout compared with the leaders in the field, including Morgan Stanley, Merrill Lynch, Goldman, Sachs, and, until recently, Salomon Brothers.

Boeing Co., the Seattle airliner manufacturer, said its chairman, T.A. Wilson, would retire on Dec. 31. Mr. Wilson, 66, has been chairman since 1972. Frank A. Shrontz, 55, president and chief executive officer, will assume the additional title of chairman.

Fokker NV, the Dutch aircraft manufacturer, which has been in financial difficulty, said it planned to appoint Erik-Jan Nederkoorn, currently finance director of Transal, the Dutch oil company, as a member of its board of management. A rescue plan for Fokker announced by the government last week was contingent on the company board's being strengthened.

Woolworth Holdings PLC, the British retailing group, said Malcolm Parkinson had resigned as chief executive of its F.W. Woolworth subsidiary. It gave no reason for his departure, nor did it name his successor.

CBS Inc. said R. Donald Grant, president of its entertainment division since 1980, had resigned. No replacement was immediately named. CBS said Mr. Grant would form an independent production company linked to CBS and would become a consultant for the net-

work. CBS undertook a radical change of its television program schedule this fall in an effort to improve its ratings, which have fallen behind those of NBC, a unit of General Electric Co.

Allied-Signal Inc. of Morristown, New Jersey, said its vice chairman, Forrest N. Shumway, would retire early both from management and the board, effective Jan. 1. Mr. Shumway, 60, had been chairman and chief executive of Signal Co. before Signal was acquired by Allied in 1985.

American Greetings Corp. of Cleveland said its president, Morry Weiss, had been named to the additional post of chief executive. Mr. Weiss, 47, succeeds Irving I. Stone, 78, who remains chairman. Mr. Stone is one of three sons of Jacob Sapirostein, who started the company in 1906, selling postcards from a horse-drawn wagon. He died in June at the age of 102. Mr. Weiss, president since 1978, is married to Mr. Stone's daughter, Judith. The company, with revenues approaching \$1.2 billion, is the second largest greeting card company after Hallmark Cards Inc.

Exxon Corp. said Tuesday that Sidney J. Reso, an executive vice president of Exxon Co. International, would succeed Richard G. Reid as president of this international division on Jan. 31, when Mr. Reid retires.

## \$27.5 Million In Bonus Offers At Bond Corp.

Agence France-Presse

**PERTH, Australia** — Alan Bond, the financier and yachtsman, says he plans to hand out bonuses totaling 41 million Australian dollars (\$27.5 million U.S.) to retain the services of his top executives.

The biggest payment, 10 million Australian dollars, would go to the managing director of Bond Corp. Holdings, Peter Beckwith. In return, Mr. Beckwith would be asked to agree not to join a rival company for four years if he quits the Bond company.

Five other senior Bond executives would have to agree to remain with the organization for five years to qualify for payments. Bond Corp. is a diversified brewing, media, property, oil, gas and mineral resources group.

Mr. Bond, 49, headed the yacht syndicate that brought the America's Cup to Australia in 1983. The syndicate's yacht was eliminated in races in which Dennis Conner in Stars & Stripes regained the cup for the United States.

## Akzo Profit Dropped 20% In Quarter, Share Price Falls

**AMSTERDAM** — Akzo NV, the Dutch chemical company, said Tuesday that third-quarter profit fell 20 percent to 155.8 million guilders (\$80 million) from 195.3 million a year earlier. The news of the lower than expected earnings sent its share price plunging.

Akzo shares fell 18 guilders to close at 99 guilders on the Amsterdam stock exchange.

The lower profit was caused

largely by a loss in Akzo's chemical fibers business. Profit per share, at 3.88 guilders, was down from 4.87 and far below market expectations of 4.50 guilders, dealers said.

Sales rose 3 percent to 3.87 billion guilders from 3.75 billion.

As a result of the third-quarter results, the company said it expected profit for the full year to fall below last year's level of 840 million guilders.

"We're trailing too far behind last year's profit level to be able to bridge the gap in the fourth quarter," said Sieb Bergsma, a board member. "But we still think the final result will be good."

For the first nine months, profit totaled 526.8 million guilders, down 16.6 percent from 526.8 million in the comparable 1986 period.

The chemical fiber business lost 24 million guilders in the third quarter after a profit of 58 million a year before. For the first nine months, the profit totaled only 45 million guilders, Mr. Bergsma said, down sharply from the comparable figure of 226 million.

He said the decline in earnings in the fiber business reflected falling market prices and rising raw material costs this year, which contrasted sharply with last year when market prices held steady while raw material costs fell.

Mr. Bergsma cited the declining dollar as the main factor forcing Akzo to cut margins to maintain its market share.

Akzo recorded a 26 percent increase to 29 million guilders in operating profit from its Akzo Consumer Products division, which it is planning to sell to Sara Lee Corp.'s Dutch subsidiary for 1.25 billion guilders.

Akzo expects the transaction to be completed by December, Mr. Bergsma said, for an extraordinary gain of 450 million guilders. Royal Dutch/Shell Group has a 49 percent stake in this Akzo unit.

## Company Results

Revenue and profits or losses, in millions, are in local currencies unless otherwise indicated.

Canada			
Molson Cos.	1987	1986	1985
Revenue	1,047.5	1,053.7	1,053.7
Profit	67.5	67.5	67.5
Per Share	0.75	0.75	0.75
1st Half	1987	1986	1985
Revenue	523.7	526.8	526.8
Profit	33.7	33.7	33.7
Per Share	0.37	0.37	0.37
France			
Cie. Financiere Paribas	1987	1986	1985
Revenue	1,047.5	1,053.7	1,053.7
Profit	67.5	67.5	67.5
Per Share	0.75	0.75	0.75
1st Half	1987	1986	1985
Revenue	523.7	526.8	526.8
Profit	33.7	33.7	33.7
Per Share	0.37	0.37	0.37
Netherlands			
Akzo	1987	1986	1985
Revenue	1,047.5	1,053.7	1,053.7
Profit	67.5	67.5	67.5
Per Share	0.75	0.75	0.75
1st Half	1987	1986	1985
Revenue	523.7	526.8	526.8
Profit	33.7	33.7	33.7
Per Share	0.37	0.37	0.37
United States			
Akzo Life & Casualty	1987	1986	1985
Revenue	1,047.5	1,053.7	1,053.7
Profit	67.5	67.5	67.5
Per Share	0.75	0.75	0.75
1st Half	1987	1986	1985
Revenue	523.7	526.8	526.8
Profit	33.7	33.7	33.7
Per Share	0.37	0.37	0.37
Switzerland			
Basel	1987	1986	1985
Revenue	1,047.5	1,053.7	1,053.7
Profit	67.5	67.5	67.5
Per Share	0.75	0.75	0.75
1st Half	1987	1986	1985
Revenue	523.7	526.8	526.8
Profit	33.7	33.7	33.7
Per Share	0.37	0.37	0.37
Germany			
Bank	1987	1986	1985
Revenue	1,047.5	1,053.7	1,053.7
Profit	67.5	67.5	67.5
Per Share	0.75	0.75	0.75
1st Half	1987	1986	1985
Revenue	523.7	526.8	526.8
Profit	33.7	33.7	33.7
Per Share	0.37	0.37	0.37
Japan			
Bank	1987	1986	1985
Revenue	1,047.5	1,053.7	1,053.7
Profit	67.5	67.5	67.5
Per Share	0.75	0.75	0.75
1st Half	1987	1986	1985
Revenue	523.7	526.8	526.8
Profit	33.7	33.7	33.7
Per Share	0.37	0.37	0.37

## A Power Struggle at Commerce Dept.

By Clyde H. Farnsworth  
New York Times Service

**WASHINGTON** — A power struggle has broken out in the U.S. Commerce Department under its new secretary, C. William Verity Jr., over his choice to fill the new job of undersecretary for export administration. Commerce officials say.

Seeking to place his own choice in the influential position, Mr. Verity has proposed Robert W. Dean, an alumnus of the State Department, the Pentagon and the CIA. Mr. Dean is now the senior director of international programs and technology affairs for the National Security Council.

But the choice has upset Senator Jake Garn, the senior Republican on the Senate Banking Committee and one of the most persistent critics of the Commerce Department's management of export licensing programs. Those programs are aimed at preventing advanced technology and other products that could have military use from reaching the Soviet Union and other unfriendly countries.

The Utah senator wants the job

to go to a former economist on his staff, Paul Freedberg, who for the past two years has been assistant secretary of commerce for export administration and is now the acting undersecretary.

Administering the export rules is very sensitive because of opposing positions taken by the business community and the Pentagon. U.S. businesses say the controls hurt exports, and they assail critics that bar them from a sale when their competitors in Western Europe and Japan are free to go after the same business.

The Pentagon complains that too much U.S. technology has been sent in the Soviet military buildup. Mr. Garn has long feuded with the Commerce Department over what he contended was its laxity in export-control policy.

It was Mr. Garn's amendment to the Export Administration Act that mandated a reorganization in the Commerce Department, effective Oct. 1, under which export controls have higher priority.

Previously, management of the controls came under the undersecretary for trade administration.

The Garn amendment made export administration an autonomous unit within the Commerce Department and outside the trade administration office.

"Since the post was created by Garn, and he already had his own man as assistant secretary, it was only natural that he would fight to have that man elevated to undersecretary," said an official who asked not to be identified.

Mr. Garn is reported to have written a letter to Mr. Verity urging that Mr. Freedberg be named. The White House office of personnel is expected to make an announcement soon. The speculation is that Mr. Freedberg will win.

He has recently been consulting with allied governments in Western Europe to gather support for a ministerial meeting of the Coordinating Committee for Allied Export Controls, known as Cocom.

The meeting early next year would seek to strengthen Cocom's controls to try to prevent European and Japanese companies from getting business denied U.S. companies by Washington's rigorous controls.

## Pan Am Unions Agree to Help Financier's Bid

Reuters

**NEW YORK** — Labor unions at Pan American World Airways have agreed to work with the financier Kirk Kerkorian in his effort to gain control of the airline and restructure the parent company, Pan Am Corp., union officials and a Kerkorian aide said.

Mr. Kerkorian seeks wage concessions and other give-backs by unions in exchange for new management and a spin-off of the airline from the parent, a larger stake for employees and an unspecified investment in the carrier by Mr. Kerkorian, union officials said.

Fred Benninger, a Kerkorian associate, said the financier expected to make a proposal soon, perhaps next week.

Pan Am management earlier this year asked for larger wage and work-rule concessions than the \$180 million a year that four unions were willing to give. Union employees own 7 percent of the holding company.

## Suez Flotation, Delayed by Stock Crisis, Is Reset

Agence France-Presse

**PARIS** — Trading in the shares of the recently privatized merchant bank Compagnie Financiere de Suez, delayed because of plunging stock prices, will begin Monday, the Finance Ministry said on Tuesday.

Private shareholders will be able to pay for their investment in two equal installments on Nov. 18 and a year later, the ministry said.

Listing of the shares on the Paris Bourse had been planned for last Thursday. But Finance Minister Edouard Balladur said that a 9 percent plunge in stock prices on the bourse the previous day made it necessary to push back the date. He did not specify a date then.

If the shares had started trading, there was a strong possibility that investors would have started with a paper loss. The shares, which carried an offering price of 317 francs (about \$34.58) in last month's public subscription, were being traded at 300 to 310 francs in unofficial trading in London last week, after falling to about 270 francs.

## ADVERTISEMENT

## HITACHI, LTD. (CDRs)

The undersigned announces that the Annual Report 1987 of Hitachi, Ltd. will be available in Amsterdam at

Algemene Bank Nederland N.V., Amsterdam Rotterdam Bank N.V., Bank Mees & Hope NV, Plesman, Holding & Plesman N.V., Kap-Associaat N.V.

AMSTERDAM DEPOSITORY COMPANY N.V.

Amsterdam, 28th October 1987

## Warburg Securities

is pleased to announce the opening of its

## Geneva office

Hans W. Bülsterli  
Director  
Office General Manager

Philip Ellick  
Director (British)

Philippe E. Givel  
Assistant Director

Warburg Securities  
31, Boulevard Helvetique  
1207 Geneva

Telephone: (022) 35 00 10

Telex: 413 149

Facsimile: 35 03 01

## Base your investment strategy on the solid security of gold.

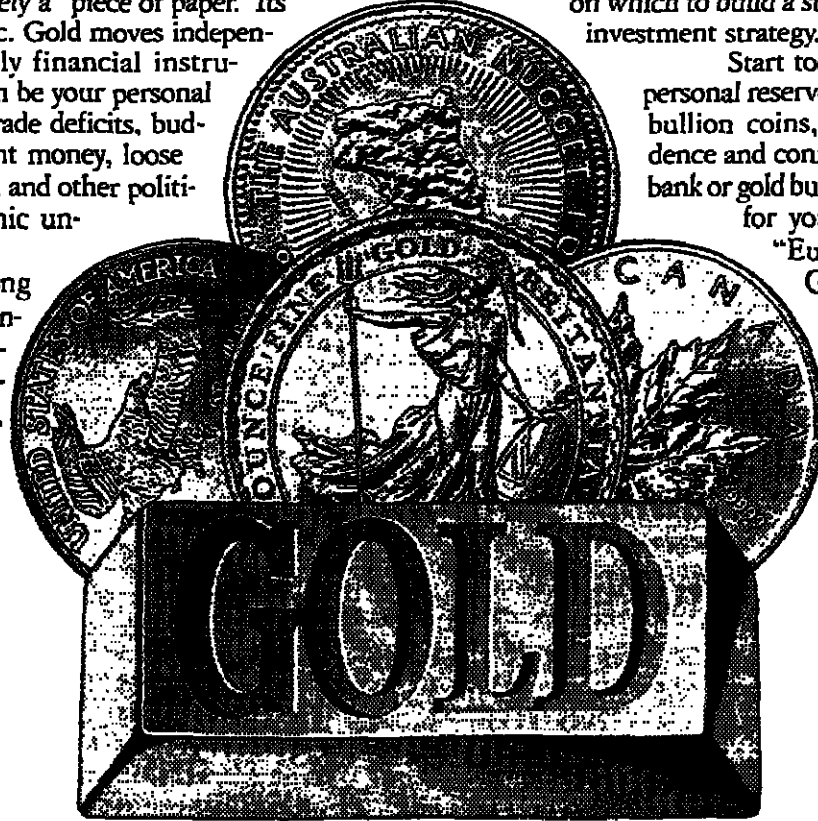
The shock waves that so dramatically rumbled through the world's stock markets are bringing investors back to the fundamentals. No investment is more fundamental than gold.

Why gold? Because gold is a precious metal - not merely a "piece of paper." Its value is intrinsic. Gold moves independently of strictly financial instruments. Gold can be your personal hedge against trade deficits, budget deficits, tight money, loose money, inflation and other political and economic uncertainties.

Building up and maintaining one's personal assets naturally implies risk.

especially today, when virtually all forms of financial investment are being called into question. Given this overwhelming uncertainty, the shrewdest of today's investors know that a significant personal reserve in physical gold provides the solid bedrock on which to build a strong, more effective investment strategy.

Start today to build up your personal reserve of gold bars or gold bullion coins, in complete confidence and confidentiality. See your bank or gold bullion dealer... or write for your free copy of the "European Guide to Gold" to: Gold Information Centre B.P. 351 CH-1211 Geneva 3 Switzerland



Money you can trust.







## CURRENCY MARKETS

## U.S. Bonds Rise as Stock Market Renews Decline

NEW YORK — Prices of U.S. government bonds gained as much as a point Tuesday as the U.S. stock market slumped and investors showed better than expected interest in the first phase of the Treasury's quarterly refunding.

The Federal Reserve Board's generosity with reserves to the banking system also helped support prices, dealers said.

The Treasury's 30-year bond rose 1/2 point, or just more than \$10 for every \$1,000 in face value, to 96 15/32 from Monday's finish.

"The bond market gets hooked on a lot of different things over the course of a year, but right now they are watching stocks," said Maury Harris, economist for PaineWebber Group.

In the past two weeks, bond prices have soared as skittish investors looked for a safe haven from plunging stock markets worldwide.

The Treasury began its \$23.75 billion quarterly sale on Tuesday by auctioning \$9.76 billion in three-year notes. It will sell 10-year notes and 30-year bonds later in the week.

The notes were sold at an average yield of 8.03 percent, below the 8.05 percent in midday when issued trading. The notes, with an 8 percent coupon, were sold at an average price of 99.921.

The highest accepted yield was 8.05 percent, and the ratio of bids to the amount required was 2.38. Both figures indicated moderate, but not heavy, demand.

The average yield was up from 7.94 percent at the last auction of three-year notes on Aug. 11 and was the highest since 8.11 percent issued on Feb. 18, 1986.

Bonds opened lower in early trading in reaction to the depressed level of the dollar, which has slumped against the yen and Deutsche mark.

Traders were concerned that continued declines in the dollar could discourage foreign investors from buying dollar-denominated securities.

But bond prices quickly reversed course in light dealings as stock prices fell and the dollar recovered some ground.

(Reuters, AP)

## DOLLAR: Currency Slides to Postwar Lows as Bonn Accepts Weaker Level

(Continued from Page 1)

downward pressure on interest rates.

West Germany's economic leaders have opted to stay with their policy of moderate growth based on tightly checked inflation and a cautious approach to monetary policy.

They maintain that this policy is already providing more than enough funds to keep gross national product, the nation's total output of goods and services, growing at an annual rate of 1 percent to 2 percent.

But the United States and many of West Germany's European trading partners have repeatedly called for West Germany to boost its domestic economy in an attempt to spur European economic growth, ease world trade imbalances and calm the financial markets.

The dispute was intensified by the world stock crisis.

The U.S. Treasury secretary, James A. Baker 3d, has described the Bundesbank as being obsessed with inflation and accused bank officials of causing upward pressure on interest rates.

Mr. Pohl rejected that criticism on Monday, saying Germans were not neurotic about inflation and asserting that the global rise in interest rates was started in the United States.

International economists said

such finger-pointing was senseless given the current problems.

"I think at some point in time, West Germany will realize the world is more concerned with deflation right now than inflation," said A. Gary Shilling, an international economist for Shilling Services in New York.

"I understand their historical fear of inflation but this isn't the 1920s," he said. "A lot of assets have been destroyed since the stock crash and excessive money supply growth isn't a problem. But they show no signs of acting."

An economist for a major West German bank in Frankfurt said the uncertainty that has dominated financial markets since the stock crisis made it imperative that the government and the Bundesbank close ranks with other industrial nations.

"Something must be done very soon," he said. "This is a dangerous

situation where being convinced of your own policy's correctness matters less than closing ranks and showing flexibility."

Howard Kurz, a currency expert who heads Buchen Kurz & Co. Inc. in New York, said he saw West Germany's steadfast posture on monetary policy as part of a strategy to force the United States to take fundamental steps to correct its economic problems.

In New York, the dollar closed at 137.50 yen, up from 136.95 on Monday, at 1.4170 Swiss francs, up from 1.4140, and at 5.8430 French francs, up from 5.8080.

The dollar was lower against the British pound, however, which closed at \$1.7420, against \$1.7400 on Monday.

Earlier in Paris, the mark hit a record high of 3.4090 French francs at the fixing, against 3.3995 at Friday's fixing, the last day of trading.

## GOLD: For South Africa, Precious Metal Softens Impact of World Stock Crisis

(Continued from first finance page)

year will drop to 600 tons from last year's 640 tons, gold revenue will increase because of the rising price on the world markets.

A study by Stellenbosch University economists estimates that South Africa's export revenue this year will show a barely perceptible decline despite a year's punitive trade sanctions, a weakening of the international economy as a whole and a rebound of the South African rand from its downswing during last year's racial upheavals, which reduced the competitiveness of South African products.

Standard Bank of South Africa is forecasting a 5 percent growth next year in gross domestic product, the country's total output of goods and services minus income from operations abroad.

Nowhere is the cushioning power of gold displayed so starkly as in the effects of the sanctions legislation adopted by the U.S. Congress in October 1986 over President Ronald Reagan's veto.

At the time, Senator Nancy Landon Kassebaum, a Kansas Republican, who is chairman of the Senate subcommittee for African affairs, estimated that sanctions would cost South Africa \$350 million in the first year.

However, U.S. economists predicted that an \$18-per-ounce rise in the gold price at that time would offset the loss.

According to some independent estimates, sanctions have affected 2 percent to 3 percent of South Africa's total exports of roughly \$15

billion, which squares with Senator Kassebaum's prediction.

At the same time, the price of gold has increased several times over the required \$18-an-ounce sanctions cushion.

It is little wonder then, economic analysts here say, that the government of President Pieter W. Botha feels sanguine about the effects of sanctions and disinvestment, in the short run at least.

"In reality, we have gold," said an executive of one of South Africa's largest gold-producing companies.

leeway to tell the world where to get off," said the analyst.

At the same time, gold revenue is important for South Africa's purchase of imported goods, a luxury for a country facing tight credit restrictions from international lenders.

"Growth in South Africa is highly geared to imports," said one industry analyst. "With the squeeze on foreign capital, we have to pay for all imports through current accounts, so every dollar that comes

combined production to nearly half that of South Africa."

Simultaneously, the Communist bloc countries last year doubled their 1985 sales to an estimated 402 tons. China has also emerged as a major seller to the non-Communist world for the first time in a decade.

Extra gold supplies, some analysts say, could cause a yearly gold surplus of more than 20 million ounces, driving the price down.

Moreover, although the gold price has soared in relation to the U.S. dollar, its level against other major currencies, including those of such important South African trading partners as Japan and West Germany, has not kept pace.

Additionally, if the stock markets continue to fall and a worldwide recession occurs, a prolonged interest in gold as a safe haven could not be counted on, according to market analysts. They said that during most of the 1980-81 recession, which was caused by oil price rises, the price of gold fell.

A senior mining company executive here said there was a danger in becoming too complacent about the insular effects of gold.

"When the Dow Jones slipped 22 percent on 'Black Monday,' we all smiled and said, 'O.K., we can go home,' because we knew gold was going to go up," he said. "We thought everybody would say, 'Buy gold.'"

But the gold price has held steady at about \$470, he said, because "people are so shocked, so unsure of their judgment that they don't know what to do with that cash."

"But what if the herd syndrome takes over," the executive asked, "and everyone says, 'Sell gold?'"

Increases in the price of gold give the South African government 'a certain amount of leeway to tell the world where to get off,' one analyst said.

South Africa has oil. New Zealand has sheep. We have gold. We exploit it efficiently, and we do what any developed country would be expected to do, which is turn it to our advantage."

Another industry analyst noted that increases in the price of gold reinvigorate business confidence in South Africa, which sank at the outset of last year's sanctions and disinvestment campaigns.

At the same time, the analyst said, gold price increases tend to enhance a feeling of defiance and invincibility within the government and, as a result, tend to color political considerations of how to deal with international pressure for dismantling apartheid.

"It gives them a certain amount

in from gold helps to pay for imports."

Viewed from another perspective, gold also provides funds for the government's program of cautious political reform.

Part of the government's strategy is to pacify black townships through upgrading of housing and services, which will cost millions, leading increased importance to export revenue, government officials said.

Industry executives say they are aware of some clouds around the gold lining.

For one, the demand by makers of gold products, mostly jewelry, appears to be flattening out at a time when the three major non-Communist gold-producing competitors, the United States, Canada and Australia, are increasing their

## Tuesday's OTC Prices

NASDAQ prices as of 2 p.m. New York time.

Via The Associated Press

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

A

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

B

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

C

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

D

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

E

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

F

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

G

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

H

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

I

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

J

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

K

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

L

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

M

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

N

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

O

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

P

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

Q

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

R

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

S

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

T

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

U

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

V

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

W

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

X

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

Y

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

Z

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

AA

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

AB

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

AC

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

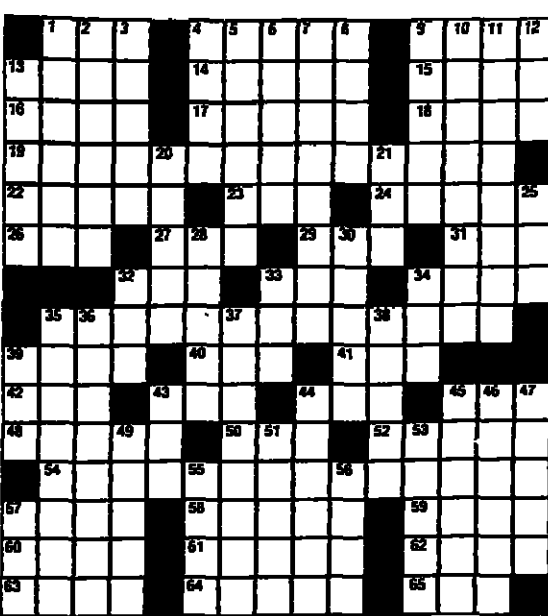
12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG

12 Month High Low Stock Div. Yld. % High Low 2 P.M. CHG





**ACROSS**

1 Marsh or West  
9 Lonsdale  
13 Norman, e.g.  
14 Category for MOMA  
15 Portent  
16 In a while  
17 City near Cleveland  
18 Grand Ole  
19 Unofficial  
22 Upper crust  
23 Albanian coin  
24 Letter  
26 Pouch  
27 How to keep one's powder  
29 Saver's option: Abbr.  
31 Here, in Paris  
32 E-link  
33 Peer's mother  
34 European coal-mining region  
35 Ceramics  
36 Wye follower  
41 Get-up-and-go  
42 Silk worm  
43 Fabulous bird  
44 D.C. figure  
45 Some N.F.L. players  
48 Murphy or Lopot

**DOWN**

50 Arabian tea  
52 Oahu neighbor  
54 False front of a sort  
57 Take it easy  
58 Bot type in Detroit  
59 Nobel Prize  
60 Sch. for a would-be Ivy League  
61 City in NW Uruguay  
62 Burrows  
63 Snuggly  
64 Sectors  
65 Period

1 Envelope material  
2 Frigid  
3 Put in office  
4 Soliloquy  
5 Without words  
6 Obvious pretense  
7 Strange  
8 Poke with a pike  
9 Blackmore's "Lorna"  
10 Cousin of a Vandyke  
11 Upright  
12 "port in a storm"

13 Jay Leno's specialty  
20 Hem and haw  
21 There  
25 Tavern in the town  
26 Conifer  
28 Form: Comb. form  
30 Superman  
31 Minute  
32 Thing in the ointment  
33 Consumed  
34 Pam Dawber  
35 TV role  
36 Nuts and bolts, etc.  
38 Rusts  
39 Tippet and tucker  
40 Forty  
41 Minute  
43 Color for a carpet  
44 Layers  
45 Archer's need  
46 Cream-ple flavor  
47 Plus one's  
48 Maladroit  
51 Befuddle  
53 Away  
55 Thessaly  
56 Baseball's  
57 Stauncher  
58 Staff member

© New York Times, edited by Eugene Malachuk.

## DENNIS THE MENACE



"DID YOU THROW AN OILDRUM INTO THE TRASH?"

"WELL, YEAH... IT'S ALL FULL OF HOLES!"

## JUMBLE

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

KOANE

EGUSS

SUSTLY

NOGARD

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here:

Yesterday's Jumbles: ELATE BRAVE SYLVAN ORIGIN

Answer: Where you might see bare limbs in a wintry climate—ONLY ON TREES

## WEATHER

EUROPE	HIGH	LOW	ASIA	HIGH	LOW
Algeria	18	14	Beijing	15	10
Amsterdam	15	11	Bombay	28	24
Antwerp	15	11	Hanoi	28	24
Berlin	15	11	Harbin	15	10
Bombay	28	24	Heilongjiang	15	10
Buenos Aires	15	11	Hong Kong	28	24
Calcutta	28	24	London	15	11
Canton	28	24	Los Angeles	28	24
Chongqing	28	24	Manila	28	24
Cebu	28	24	Medan	28	24
Colon	28	24	Osaka	15	10
Dacca	28	24	Shanghai	15	10
Dhaka	28	24	Singapore	28	24
Hankow	28	24	Taipei	28	24
Hong Kong	28	24	Tokyo	15	10
Kobe	15	10			
London	15	11			
Los Angeles	28	24			
Manila	28	24			
Medan	28	24			
Osaka	15	10			
Shanghai	15	10			
Singapore	28	24			
Taipei	28	24			
Tokyo	15	10			

WEDNESDAY'S FORECAST — CHANNEL: Rough, FRANKFURT: Foggy, Tientsin: 12-18, LONDON: Foggy, Tientsin: 12-18, PARIS: Foggy, Tientsin: 12-18, NEW YORK: Foggy, Tientsin: 12-18, SINGAPORE: Foggy, Tientsin: 12-18, SYDNEY: Foggy, Tientsin: 12-18, TOKYO: Foggy, Tientsin: 12-18.

## PEANUTS



## BLONDIE



## BEETLE BAILEY



## ANDY CAPP



## WIZARD of ID



## REX MORGAN



## GARFIELD



## BOOKS

## THE GOLDEN DROPLET

By Michel Tournier. Translated by Barbara Wright. 206 pages. \$16.95. Doubleday, 245 Park Avenue, New York, N.Y. 10167.

Reviewed by Michiko Kakutani

IN his earlier novels, Michel Tournier, one of France's most controversial and acclaimed writers, has displayed a decided taste — and talent — for working philosophical variations on old stories. In "Friday," he turned Robinson Crusoe into a modernist allegory, in which the shipwrecked sailor rejects the blandishments of civilization, and in "The Four Wise Men," he reworked the story of the Magi, adding a fourth member to their fold. Now, in "The Golden Droplet," he takes the familiar figure of the innocent — the fellow who turns up in so many fairy tales and epics — and uses his adventures to meditate upon a favorite theme: the dynamic between innocence and experience, nature and civilization, individual and community, appearance and reality.

When we first meet Tournier's hero, a Berber shepherd named Idris, he's a kind of teenage Candide, leading an ascetic existence on an oasis in the middle of the Sahara. One day, wandering about the dunes, Idris comes across something he has never seen before: a Land Rover, "squat, white with dust, bristling with cans, spare wheels, jacks, fire extinguishers, towropes, shovels, perforated metal sheets for freeing it from the sand." Riding in the vehicle are a man and a beautiful blond woman. The woman takes a photograph of Idris, and promises to mail him a copy of it, when she returns to Paris.

Idris is excited by this encounter, but his mother warns him that the camera has stolen a piece of his soul, and she worries that he is now destined to leave the oasis. Sure enough, Idris soon decides that he must go in search of the woman who took his picture; and he prepares to set off for Paris. Just before leaving, he finds a lovely jewel, lying in the sand. As an acquaintance later tells him, this golden droplet or "bulla aurea" is a Roman, or even Etruscan, emblem that still exists in some Saharan tribes. Freeborn Roman children wore this golden droplet around their necks hanging on a special ring, as proof of their condition. When they exchanged their child's toga for the virile toga they also abandoned the bulla aurea and gave it as an offering to the household gods.

## Solution to Previous Puzzle

GOLD ROSS ATILITY  
ERIE ANET TANYA  
ELECTION RETURNS  
RESOVES MIAJENS  
REIE REKES  
COS EDE EIMAGE  
ARBE EEN ORRS  
ARIV CONVENTION  
ETAM ANTE GSAE  
SEPHAS MUN SES  
CLARA SAE  
ATM CLAB EGRETS  
THOMASJEFFERSON  
TAROT ALLOU OTRA  
AROMA REEL LOOP

## BRIDGE

By Alan Truscott

THE laws of bridge bar you from taking into account the behavior and demeanor of your partner, but the opponents are fair game. If they look happy or sad, you can try to take advantage of that fact at your own risk. If it transpires that the happiness or sadness was due to factors unrelated to the card play, that is your misfortune.

This type of clue aided the declarer on the diagrammed deal from the Regional Women's Teams championships recently in South Lake, New York. An aggressive partner pushed her to an optimistic six-heart contract via a four-level transfer bid and Blackwood. West led the spade ace, received a hesi-

tant device from her partner and shifted to a club. South won with the ace, ruffed a spade and took the heart ace, the diamond ace and the club king.

Then she finessed in trumps and picked up the queen, relying on the fact that West looked mildly hopeful and East appeared worried. There were now 11 tricks but no way to establish the spade jack as the cards lay. But when the trumps were run eventually, East was squeezed in spades and diamonds.

South was Dorothy Truscott on the Bronx, and she had a mild regret. "If I had ruffed a spade at the third trick," she pointed out, "we would have played four aces on the first four tricks." Nevertheless, this

result won her the match, and eventually the title, together with Karen McCallum and Gail Greenberg, both of Manhattan, and Lila Perstein of Roslyn Heights, Long Island.

**NORTH**  
6 AK 18742  
2 7532  
A

**WEST**  
4 AB82  
3 Q83  
2 7532  
4 8762

**EAST**  
4 Q1095  
3 10314  
2 41095

**SOUTH (D)**  
7 109  
6 109  
5 AK9  
4 AK43

Both sides were vulnerable. The bidding:  
South: 1C, 2C, 3C, 4C, 5C, 6C, 7C.  
West: 1D, 2D, 3D, 4D, 5D, 6D, 7D.  
East: 1H, 2H, 3H, 4H, 5H, 6H, 7H.  
South led the spade ace.

## World Stock Markets

Via Agence France Presse Closing prices in local currencies, Nov. 3.

**Amsterdam**  
AEX Index: 1258.18  
Previous: 1258.18

**London**  
FTSE 100 Index: 1423.96  
Previous: 1423.96

**Paris**  
CAC Index: 2184.8  
Previous: 2184.8

**Frankfurt**  
DAX Index: 2392.33  
Previous: 2392.33

**Stockholm**  
SSE Index: 1258.18  
Previous: 1258.18

**Oslo**  
OSE Index: 1258.18  
Previous: 1258.18

**Copenhagen**  
CSE Index: 1258.18  
Previous: 1258.18

**Helsinki**  
HEX Index: 1258.18  
Previous: 1258.18

**Tallinn**  
TSE Index: 1258.18  
Previous: 1258.18

**Riga**  
RIE Index: 1258.18  
Previous: 1258.18

**Vilnius**  
VIE Index: 1258.18  
Previous: 1258.18

**Kiev**  
KIE Index: 1258.18  
Previous: 1258.18

**Moscow**  
MOX Index: 1258.18  
Previous: 1258.18

**Novosibirsk**  
NOX Index: 1258.18  
Previous: 1258.18

**Omsk**  
OMX Index: 1258.18  
Previous: 1258.18

**Yekaterinburg**  
YEY Index: 1258.18  
Previous: 1258.18

**Novokosygin**  
NOY Index: 1258.18  
Previous: 1258.18

**Novosibirsk**  
NOX Index: 1258.18  
Previous: 1258.18

**Omsk**  
OMX Index: 1258.18  
Previous: 1258.18

## INTERNATIONAL STOCK MARKETS

IN THE H.T. EVERY TUESDAY. A COLUMN ON U.S. STOCK MARKETS. ESSENTIAL READING FOR INVESTORS AND PROFESSIONALS — WORLDWIDE

**Stockholm**  
SSE Index: 1258.18  
Previous: 1258.18

**Oslo**  
OSE Index: 1258.18  
Previous: 1258.18

**Copenhagen**  
CSE Index: 1258.18  
Previous: 1258.18

**Helsinki**  
HEX Index: 1258.18  
Previous: 1258.18

**Tallinn**  
TSE Index: 1258.18  
Previous: 1258.18

**Riga**  
RIE Index: 1258.18  
Previous: 1258.18

**Vilnius**  
VIE Index: 1258.18  
Previous: 1258.18

**Kiev**  
KIE Index: 1258.18  
Previous: 1258.18

**Moscow**  
MOX Index: 1258.18  
Previous: 1258.18

**Novosibirsk**  
NOX Index: 1258.18  
Previous: 1258.18

**Omsk**  
OMX Index: 1258.18  
Previous: 1258.18

**Yekaterinburg**  
YEY Index: 1258.18  
Previous: 1258.18

**Novokosygin**  
NOY Index: 1258.18  
Previous: 1258.18

**Novosibirsk**  
NOX Index: 1258.18  
Previous: 1258.18

**Omsk**  
OMX Index: 1258.18  
Previous: 1258.18

**Yekaterinburg**  
YEY Index: 1258.18  
Previous: 1258.18

**Novokosygin**  
NOY Index: 1258.18  
Previous: 1258.18

**Novosibirsk**  
NOX Index: 1258.18  
Previous: 1258.18

**Omsk**  
OMX Index: 1258.18  
Previous: 1258.18

## Regal Real Ma

Against Reign

SPORTS BR

What is Named Presid

BRIDGE

Abby's Rally to Defeat

What is Named Presid

Abby's Rally to Defeat

What is Named Presid

Abby's Rally to Defeat



## SPORTS

## Regal Real Madrid Facing Stiff Test Against Reigning Champion Porto

International Herald Tribune

LONDON — It takes a certain perverseness to question destiny. Here goes.

For wealth, power, influence and organization, there seems to be nothing to stop Real Madrid from reclaiming its role as lord of European soccer.

Maradona thought he and his Neapolitans could do it. They were brushed aside last month with a mere \$5 million from attendance and television fees as compensation.

In Real's bejeweled path Wednesday night lies FC Porto — a king refusing to abdicate.

Porto, to be sure, is the European club champion. It surprised us all by winning the trophy in Vienna last May with such style and command that even the opponents representing Bayern Munich applauded.

"A victory for football," commented Franz Beckenbauer, the West German national team manager. He spoke for all.

But since Portugal is not mainstream soccer, nor does its currency attract the stars, the inevitable happened. Porto lost its star, Paulo Futre, to Atletico Madrid, and its manager, Artur Jorge, to Matra Racing of Paris.

"We knew it didn't work, in our worldly way. The little fellow had snatched the crown, but market forces were putting him and his delightfully cheeky coup into perspective."

Porto now faces the mighty Real Madrid, which began this season by supplying all who came before.

it like an anesthesiologist administering ether.

Real buys, and buys imperiously. Porto, even in its finest hour, is a selling club. No contest? This is where perverseness — Porto's and of those willing to share its self-belief — comes in.

Porto knows there are more fish in the sea. Futre left, but did he

slowly, slowly — that he could beat players, help beat nations, beat even those superstars he might see on the TV screen.

Relatively uncoached, he arrives unaware of his ceiling. Algeria is an infant soccer nation, its federation formed in 1962 and its talents not yet systematized by coaching schemes reaching down to boys all but still in the cradle.

The young Madjer didn't know who or what he was. He tried to be a defender but, diminutive for that, became by 1982 a mini-star of the World Cup as a forward.

Algeria shocked West Germany by winning, 2-1. Madjer scored, as did Lakhdar Belloumi, the "Platinium of Africa" whose greater potential was later savaged by a Libyan player who broke his leg.

Madjer came out of Belloumi's shadow and passed through Racing Club Paris before joining Porto.

Even at Porto, Madjer was second, often third fiddle. He was inconsistent, and where would he be without the craft of Futre or the strength of Fernando Gomes?

We are beginning to find out. Futre has gone and Gomes, who gobbled up the majority of Porto's goals, is in bad odor.

Yugoslav Tomislav Ivic, the new manager, has broken Porto's addiction to its big center-forward. Ivic dropped Gomes — forever, he says — for breaking camp last month during Porto's first-round visit to Skopje in Yugoslavia.

Porto is not suffering. It lies four points clear atop the Portuguese First Division, and Madjer has nine goals in ten games. The irrepressible Algerian struck three times in the European Cup in the club's 6-0 aggregate victory over Vardar Skopje, and midfielder Antonio de Sousa also netted home and away.

Of course, Real Madrid, with its thrilling "total football," will take care of one small African import. But that presupposes Porto is Madjer and a supporting cast of 10. It's not its defense is a United Nations.

The goalkeeper is a Polish giant, Jozef Mlynarczyk. The center-backs are Brazilian, with the uncompromising Calso joined by the composed Geraldito, who captained Brazil's Olympic squad and then its senior team on a European tour last summer. Polish, Portuguese, Algerian or Brazilian, they adapt to Yugoslav cunning.

The question is, can Real Madrid? Real won the first leg (played in Valencia because of Madrid boogymania) by 2-1 with a goal in injury time. Porto deployed Madjer as the lone raider and defended with spoiling tactics foreign to Portuguese nature.

This time, presumably, Porto must attack and Real will rely on breakaways.

The Spaniards' style is also imported. It is Dutch by concept and by design, controlled by a Dutch manager, Leo Beenhakker, who admits: "It is not natural for Spanish players to do what I am asking, to play one touch and move without the ball. It has cost me dearly — some years of my life, the color of my hair — but we are now one of the best sides I have seen in 10 years."

Outclassing its first seven opponents in the Spanish League, Real met an immovable Basque force last weekend. Athletic Bilbao, responding vigorously and showing English running power to its new English coach, Howard Kendall, held the mighty Madrid, 0-0.

Some think that Real has run out of steam. I doubt it; I wouldn't want it, either. Its style — encouraging defenders to attack with panache and surprise — brightens our game.

So does uncertainty. That is the essence of competition, and that, while Porto believes itself to be the equal of aristocrats, is assured.

## ROB HUGHES

alone outwit the West Germans in Vienna? Hardly. His star that night was eclipsed by Rabah Madjer.

Who? Bayern Munich knows who: Its chairman agreed to terms Tuesday to buy Madjer for three million marks (\$1.75 million).

Portuguese resistance is high. They won't release their man until June, by which time Porto may or may not have retained the European Cup. Believe me and believe Munich: Madjer is class.

He showed it for Algeria at two World Cups, and he showed it in Vienna, scoring Porto's first goal, with an intuitive backheel, and creating the second.

Madjer is quick, he's smart, he does the unexpected and, small as he is, he can rise like a salmon to score with his head. He will be 30 in February, a terrible old age that Munich, offering a three-year contract, is willing to ignore.

Where has he been all his life? Back home in Algiers he was less prominent than his sister, a television broadcaster. He is not the first African sportsman to appreciate —

## SPORTS BRIEFS

## Peters Is Named President by Indians

CLEVELAND (AP) — Hank Peters was named president of the Cleveland Indians late Monday, four weeks after he was fired as general manager of the Baltimore Orioles.

Peters, 63, spent five years with the Indians as director of player personnel before he became head of the National Association of Professional Baseball Leagues in 1971. He signed a three-year contract whose terms were not disclosed.

Peters fills a vacancy in the Cleveland management created by the departure last January of Peter Bavasi, who held the post for more than two years.

The Indians finished the 1987 season at 61-101, the worst record in the major leagues.

Peters said that one of his top priorities will be deciding on a manager for 1988. Doc Edwards was named manager for only the remainder of 1987 when he replaced Pat Corrales, who was fired at mid-season.



Hank Peters

## Cowboys Rally to Defeat Giants, 33-24

IRVING, Texas (AP) — Roger Ruzek's three field goals in the final 4:11, after Jim Jeffcoat's 26-yard interception return had tied the game, rallied the Dallas Cowboys to a 33-24 National Football League victory over the New York Giants here Monday night.

The Cowboys improved to 4-3 on the year, while the defending Super Bowl champion Giants dropped to 1-6.

Ruzek kicked field goals of 34, 49, 40 and 35 yards and defensive end Ed Jones tipped two passes that Dallas turned into fourth-quarter interceptions.

Quarterback Phil Simms, whose two second-half touchdown passes to Lionel Manuel had given New York a 24-14 lead, suffered a sprained ligament in his left knee with 2:38 to play after a high-low tackle by Jeffcoat and Jones.

## Quotable

• Roberto de Vicenzo, a member of the senior golf tour for golfers 60 and over: "Who likes to be old? I am no longer the wild bull of the pampas. Now, when I see a cow, I just wave." (L.A.T.)

• Jim Rooker, former Pittsburgh pitcher, on Manager Chuck Tanner: "He used to have a bedcheck just for me every night. No problem. The bed was always there." (L.A.T.)



Nery Hernandez/The Associated Press

## Flyers' Brown Suspended 15 Games for Cross-Checking

The National Hockey League suspended Philadelphia right wing Dave Brown 15 games Monday for cross-checking New York Ranger Tomas Sandstrom in the face during a game Oct. 26. It equaled the longest suspension in league history for a player altercation. The NHL ruled that Brown, second-longest suspension in league history for high-sticking Sandstrom last March, Boston's Eddie Brown had received a five-game suspension for hitting Ace Bailey of Toronto. In 1978, Wilf Paiement of the Colorado Rockies had to sit out 15 games for swinging his stick at Dennis Polonich of Detroit.



Rabah Madjer on the attack: More than a touch of class.

## Soviets Appear Game to Turn Athletes Into Pros

United Press International

MOSCOW — Professional, once a word applied to money-hungry Western athletes, is no longer such a derogatory term in the hallowed halls of the Soviet State Sports Committee.

Coaches, athletes and administrators are learning to say it with far greater ease amid Mikhail Gorbachev's proclaimed policy of glasnost, openness and honesty in Soviet society.

At least one Soviet sport, soccer, is even trying it — with the Communist party's official blessing.

But the lack of experience in administering a professional sports league or franchise is painfully obvious. One spinoff: It has produced a bidding war for players with salaries approaching 600 rubles (\$960) a month for stars — not much by Western standards but three times the average wage in the Soviet Union.

There is also a growing realization that Soviet sports teams playing in international competitions may be getting less than their fair share of the take by retaining an "amateur" tag. Some administrators, poorly versed in the financial aspects of sports, are short changed in the West.

Not long ago the Soviet Union vehemently condemned professionalism in sports as a purely Western phenomenon and disease

while touting the praises of its self-proclaimed "purely amateur" program.

The long red line of so-called agricultural students, policemen, soldiers and teachers who paraded to the medal stands in international competitions were, according to officials, nothing more than that.

But today, with even the Olympic movement allowing professional athletes to compete in most sports, the Soviet Union finally appears ready to face the facts and recognize and reward its athletes as pros.

Leading the chorus are former athletes themselves, some of whom led a tinge of bitterness toward the system that used them in their youth and abandoned them when they were past their prime.

Valery Brumel, the high jumper and gold medal winner at the 1968 Tokyo Olympics, has surfaced as an unofficial spokesman for the professionalism movement.

"We did not spare ourselves or our health. We were told 'for our people's sake, for the fatherland's prestige, and we went out of our way to win. Sport, sport, sport — that's all many of the colleagues had known professionally. We were not amateurs," Brumel said in a recent interview with the weekly Moscow News.

"But it was not the thing to speak of, that we had professionals in sports, even though the athletes do get remunerated," he said. "I think it is high time to recognize big-

By Murray Chass  
New York Times Service

NEW YORK — By staying healthy all season, Steve Balboni of the Kansas City Royals earned more money in bonuses, \$525,000, than the baseball income earned in all ways by 473 major league players this year.

With 684 players on major league rosters or the disabled list on Aug. 31, before rosters expanded, that means Kansas City's designated hitter made more in bonuses than 69 percent of the players. Only one member of the Pittsburgh Pirates team, Andy Van Slyke, had a larger income than Balboni's bonuses and he exceeded them by only \$25,000.

A study of salaries and bonuses for the 1987 season, based on data obtained from more than two dozen management and player sources, showed that Balboni earned the most money in bonuses. After he finished the 1986 season with a bad back, the Royals were willing to guarantee him only \$100,000 in salary but provided for bonuses that he could earn as long as he was healthy, even if he did not play in the games.

The salary study further showed that 57 players earned \$1 million or more this year, while Dan Quisenberry and George Brett of Kansas City, Jim Rice of Boston, Eddie

Murray of Baltimore, Mike Schmidt of Philadelphia and Gary Carter of the Mets surpassed the \$2 million plateau.

Depending on the method of valuation used, Quisenberry, Rice or Murray could be considered the highest-paid player. Quisenberry has a lucrative real estate deal in his contract that sends the value of his income soaring, while Rice and Murray have large chunks of money deferred without interest, which decreases the worth of their contracts in terms of present-day value.

But using a conservative standard method of calculation, Quisenberry, a star relief pitcher, is No. 1 at \$2,293,509, ahead of Murray at \$2,246,887 and Rice at \$2,221,629.

Among the lesser-paid players but those who earned significant bonuses, Bryn Smith, the Montreal pitcher, fared well with a unique bonus provision. Because he was coming back from elbow surgery, the Expos gave Smith the minimum salary of \$62,500 but included potential bonuses based on the average number of innings he lasted in his starts.

Making 26 starts and averaging between 5 1/2 and 6 innings per start, Smith emerged with bonuses totaling \$404,219, bringing his season income to \$466,719.

Among other pitchers who earned lucrative bonuses, Don Sutton, just released by the California Angels, picked up \$340,000 for games started, Mike Witt of California earned \$250,000 based on innings pitched, Ken Dayley of St. Louis received \$250,000 for the number of games he pitched in, Nolan Ryan of Houston made an extra \$225,000 for number of starts and Doyle Alexander of Detroit earned \$200,000 for the number of starts he made.

Jim Gott of Pittsburgh and Atlee Hammaker of San Francisco, who both signed contracts with the Giants following rotator-cuff surgery, emerged with more money in bonuses than in salary. Gott, after a \$100,000 salary, earned \$217,000 in bonuses for number of games pitched and Hammaker added \$212,000 to his \$168,000 salary for the number of games he pitched.

Not all pitchers earned their bonuses strictly for pitching. Don Robinson of San Francisco, for example, picked up \$175,000 in bonuses, but \$100,000 of that total was a weight bonus. Robinson signed contract with the Pirates, who liked to include weight bonuses in many of their agreements.

Reggie Jackson of Oakland finished his career by earning an additional \$11,838.15 based on the home attendance: He got 15 cents for each admission past 1.6 million.

exact amount of the pensions was not disclosed, Kozlovsky said it would be about the same as that of an army colonel's.

Like it or not, professionalism is being forced on more traditional sports administrators because of the economic reforms introduced in the country.

As of January 1988, the government will substantially trim subsidies for unprofitable enterprises and businesses and will for the first time allow bankruptcies. With less subsidy money available, sports clubs — almost always sponsored by a factory, a trade union, a government ministry or a farm collective — are being told they will have to pay their own way as well.

The concept of self-financing stretches all the way to the top. Faced with potential cutbacks on its funds to train athletes for international events, the sports committee, the governing body of Soviet sport, is talking of permitting more athletes to sign long-term contracts with Western teams.

The player's salaries, earned in hard currency would revert to the committee or to a particular sports federation. The players themselves would get only an allowance.

Reluctant in the past to permit its athletes to reside abroad, the committee is finding that it may be financially forced to risk defections in exchange for the cash that top athletes can earn outside of the country.

## SCOREBOARD

## Hockey

## NHL Standings

## Wales Conference

## Patrick Division

## W L T Pts GF GA

## NY Islanders 7 3 1 15 30 32

## New Jersey 7 3 0 14 39 32

## Washington 6 4 1 13 42 33

## NY Rangers 4 6 3 11 34 54

## Philadelphia 3 6 1 7 31 53

## Pittsburgh 3 6 1 7 31 53

## Adams Division

## W L T Pts GF GA

## Montreal 5 4 3 13 45 45

## Buffalo 5 5 1 11 41 43

## Boston 5 5 1 11 41 43

## Hartford 5 5 1 11 41 43

## Quebec 5 5 1 11 41 43

## Campbell Conference

## Morris Division

## W L T Pts GF GA

## Toronto 6 4 0 12 46 42

## Detroit 5 4 1 11 33 33

## Chicago 5 4 1 11 33 33

## Minnesota 4 5 2 10 40 42

## St. Louis 3 6 1 7 32 38

## Savoy Division

## W L T Pts GF GA

## Edmonton 7 4 0 12 33 32

## Winnipeg 7 4 0 12 33 32

## Calgary 5 5 1 11 44 44

## Los Angeles 3 6 1 7 32 49

## Vancouver 2 7 1 5 34 46

## Member's Result

## 1 2 3-4

## St. Louis 1 2 3-4

## Montreal 1 2 3-4

## Savoy Division

## 1 2 3-4

## Selected U.S. College Leaders

## Team Offense

## Total

## Player Yds Yds Pts

## Oklahoma 439 454 51.1

## Florida St. 439 454 51.1

## Nebraska 439 454 51.1

## Georgia 439 454 51.1

## Notre Dame 439 454 51.1

## Defense

## Total

## Player Yds Yds Pts

## Oklahoma 439 454 51.1

## Florida St. 439 454 51.1

## Nebraska 439 454 51.1

## Georgia 439 454 51.1

## Notre Dame 439 454 51.1

## Passing

## Player Yds Yds Pts

## Oklahoma 439 454 51.1

## Florida St. 439 454 51.1

## Nebraska 439 454 51.1

## Georgia 439 454 51.1

## Notre Dame 439 454 51.1

## Rushing

## Player Yds Yds Pts

## Oklahoma 439 454 51.1

## Florida St. 439 454 51.1

## Nebraska 439 454 51.1

## Georgia 439 454 51.1

## Notre Dame 439 454 51.1

## Scoring

## Player Yds Yds Pts

## Oklahoma 439 454 51.1

## Florida St. 439 454 51.1

## Nebraska 439 454 51.1

## Georgia 439 454 51.1

## Notre Dame 439 454 51.1

## Football

## Individual

## Total Offense

## Player Yds Yds Pts

## Oklahoma 439 454 51.1

## Florida St. 439 454 51.1

## Nebraska 439 454 51.1

## Georgia 439 454 51.1

## Notre Dame 439 454 51.1

## Defense

## Total

## Player Yds Yds Pts

## Oklahoma 439 454 51.1

## Florida St. 439 454 51.1

## Nebraska 439 454 51.1

## Georgia 439 454 51.1

## Notre Dame 439 454 51.1

## Passing

## Player Yds Yds Pts

## Oklahoma 439 454 51.1

## Florida St. 439 454 51.1

## Nebraska 439 454 51.1

## Georgia 439 454 51.1

## Notre Dame 439 454 51.1

## Rushing

## Player Yds Yds Pts

## Oklahoma 439 454 51.1

## Florida St. 439 454 51.1

## Nebraska 439 454 51.1

## Georgia 439 454 51.1

## Notre Dame 439 454 51.1

## Scoring

## Player Yds Yds Pts

## Oklahoma 439 454 51.1

## Florida St. 439 454 51.1

## Nebraska 439 454 51.1

## Georgia 439 454 51.1

## Notre Dame 439 454 51.1

## NFL Standings

## American Conference

## East



